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EXPORT OPPORTUNITIES FOR VIETNAM AGRICULTURAL PRODUCTS IN JAPAN

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International Development Center • Economic Research Service
U.S. Department of Agriculture cooperating with U.S. Agency for International Development
and the Vietnam Ministry of Agriculture and Land Development

ABSTRACT

Japan has a large and expanding demand for agricultural products. Inputs for agricultural production or ingredients for further processing account for a major portion of Japan's current agricultural imports. Despite trade and agricultural policies that encourage self-sufficiency in domestic production of crops and animals, changing Japanese economic conditions are likely to result in increased imports of basic commodities as well as partially-processed and consumer-ready products.

Vietnam has the capability of producing a large number of agricultural products currently imported by Japan. Japanese traders express strong interest in Vietnam as a source of imports.

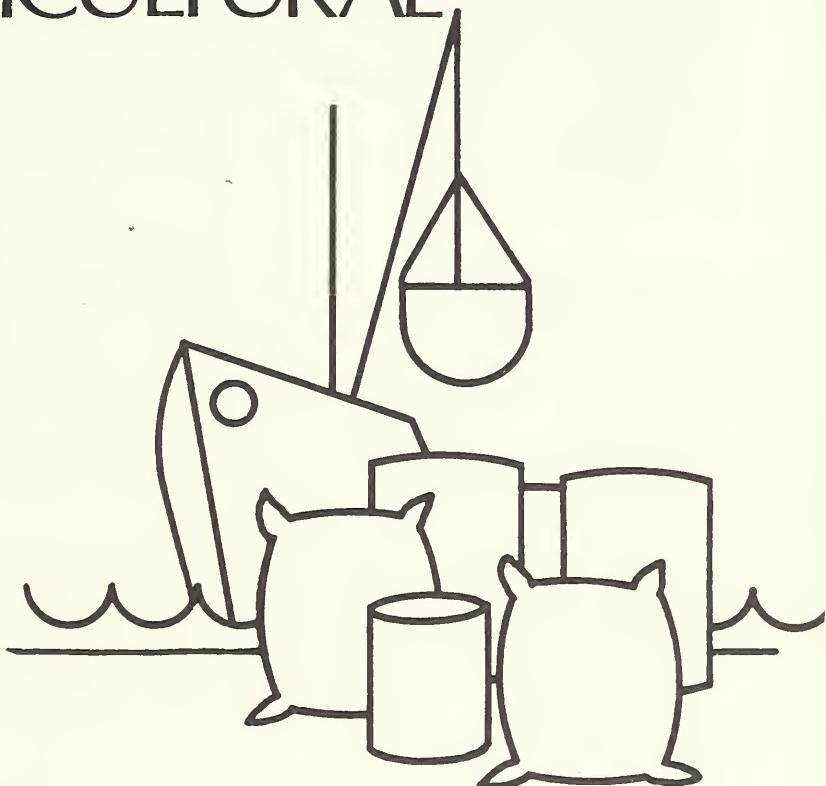
Immediate prospects for Vietnamese farm exports to Japan appear to be best for spices, onions, and garlic. A full assessment of the potential for exporting Vietnamese farm products to Japan must consider production and marketing costs, marketing and storage facilities, ability to deliver the quality and product characteristics required, and the vigorous competition among nations currently exporting agricultural products to Japan.

Trading companies dominate Japan's international trade and have a close relationship with the Japanese Government. These firms can provide prospective Vietnamese suppliers with information on product demand, product specifications, and trade regulations.

Keywords: Vietnam, Japan, agricultural exports and imports, agricultural products, foreign trade, demand, consumption.

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EXPORT OPPORTUNITIES FOR VIETNAM AGRICULTURAL PRODUCTS IN JAPAN



by

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PREFACE

This study is one of a series assessing Vietnam's agricultural export opportunities in international markets. This report focuses on Japan.

Findings of these studies contribute to an information base to guide officials responsible for planning and implementing Vietnam's future agricultural production and marketing policies. Direct participation in these studies by Government of Vietnam (GVN) officials provides firsthand observation of international markets and trading practices and identifies research procedures and programs that must be implemented for a continuing and accurate evaluation of the export potential for Vietnam agricultural products.

This series of market export studies is being conducted by the Economic Research Service (ERS), U.S. Department of Agriculture, in cooperation with the U.S. Agency for International Development (USAID) and the Ministry of Agriculture and Land Development of the Government of Vietnam under PASA No. VN(AJ)103-72. Shelby A. Robert, USDA/PASA with USAID/ADFA, Saigon, worked with GVN representatives to develop and implement this series of market export studies as a part of an overall planning program for the future of Vietnam's agricultural sector. ERS' William S. Hoofnagle is coordinator of the studies.

Personnel of ERS' Marketing Economics Division, acting as advisors to the GVN, played a major role in planning and directing the study and had the responsibilities of developing this report. Members of the Vietnamese marketing team participated in the data collection, analysis, and preparation of this report. The staff of the USAID/ADFA Mission to Vietnam and officials of Vietnam's Ministry of Agriculture and Land Development provided valuable assistance in identifying Vietnam's production and marketing capabilities and specific products which appeared to have export potential.

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SUMMARY

This report relates primarily to Japan's demand for imports of agricultural products, with emphasis on those products that are currently being produced or have been identified as having potential for production in Vietnam. Very limited evaluation has been made of the economics of production and marketing or the demand situation within Vietnam--conditions which must be considered in determining products that offer Vietnam the best potential for successfully competing in the Japanese market.

Japan has recently moved to liberalize its trade policy in respect to agricultural inputs; further liberalization is expected. However, Japan does and will likely continue to provide strong protection for its agricultural sector and to encourage a high degree of self-sufficiency in its agricultural production. Despite these restraints, Japan has a large and expanding demand for imported agricultural products due to its steady growth in population and rapidly rising personal incomes. Commodities for direct consumption, as well as ingredients for processed products and inputs for crop and animal production, will continue to account for a major share of Japan's agricultural imports. However, as incomes continue to rise, new distribution practices evolve, and eating practices change, processed agricultural products should show a greater proportional increase.

Agricultural products entering Japan are subject to very strict inspection procedures. Products failing to meet requirements as to condition and sanitation are barred. Importation of several of Vietnam's agricultural products are prohibited because of pests or disease. For these products, there is no prospect for trade with Japan in the immediate future.

Trading companies are unique enterprises established in Japan in the late 1860's to foster and control the country's international trade. Although originally established primarily to generate exports, Japanese trading companies today handle more than 80 percent of the country's imports. Although it is not necessary to deal through a trading company to enter the Japanese market, Vietnam should explore this course in planning market entry.

Trading companies are competent to assist prospective Vietnamese exporters in the intricacies of international trade and to provide them technical assistance in meeting desired product characteristics. Many trading companies have integrated processing and distribution facilities which help them identify products for which there is a demand as well as assuring movement through trade channels.

Japanese trading companies originally acted only as intermediaries in trade for other firms. However, their scope of activities has expanded to include substantial investment or integration in both production and distribution at home and abroad. Investments and joint ventures in other countries often place trading companies in the position of exporters or suppliers to the Japanese market. For some products these vested interests may work as restraints or make it difficult for new suppliers to enter the Japanese market.

Trade opportunities with Japan are not static. This team's experience in Japan indicated the dynamic and changing nature of the import situation. Changes occurring in conditions affecting international trade in general and specifically those affecting imports by Japan emphasize the need for continuing appraisal of Japan's trade policies. If Vietnam is to identify opportunities for export to Japan and receive maximum benefits from such trade, it must have access to timely and comprehensive economic intelligence on this market.

Japan's Ministry of Foreign Affairs indicated its country was prepared to provide both technical and financial assistance to support the development of a sound economy in Vietnam. But, this assistance depends upon assured security in Vietnam.

Japanese importers and trading companies are generally unacquainted with Vietnam's agricultural potential and the type and quality of potential export products. Several importers suggested that a first step in remedying this situation might be to supply samples of products for inspection by traders. Vietnam might also conduct exhibitions in Japan where products could be inspected by potential importers and trade information could be provided. The Japanese External Trade Organization indicated that it often works with other countries in setting up such exhibitions in Tokyo as well as other points in Japan.

Several trading companies indicated a desire to assist in the economic development of Vietnam to generate greater trade. Many trading companies are looking for opportunities for investments and joint ventures which would generate exports to Japan as well as other countries. Trading firms are interested in Vietnam's development as a means of diversifying their supply sources to insure both a steady supply of imports and greater competition among suppliers. Possible joint ventures or other arrangements with trading companies that result in Japanese control should be carefully examined.

It appears that Japanese consumer attitudes toward products from or made in Vietnam are generally favorable.

Japanese traders showed strong interest in seeing Vietnam reestablished as a source of agricultural imports.

Japan's distribution system is characterized by extremely high quality of agricultural products at all marketing levels. Also, the type of packaging, size, variety, species, etc., may be unique to Japan. Japanese distributors are inflexible on the characteristics of products they handle and provide for consumption. Meeting their specifications and providing a quality equal to that observed in the marketing place--particularly for fresh produce--may be Vietnam's greatest challenge to entry in the Japanese market.

A continuing and basic requirement for exporting agricultural products to Japan is a sound knowledge of the Japanese marketing system and the type and quality of products that Japanese traders and consumers demand. This will require a continuing effort on the part of Vietnam because of the dynamic nature of the Japanese marketing system and consumer demand. To move

agricultural products to Japan at competitive prices while providing the quality and other product characteristics that will enhance their acceptance, Vietnam must develop marketing practices and an infrastructure geared to the support of foreign trade. The general outlook for export of Vietnam agricultural products to Japan follows:

VEGETABLES

The per capita consumption of vegetables is increasing in Japan and is expected to continue rising through the next decade. Tastes are changing as the country becomes more industrialized and urban. Fewer root type vegetables are being eaten, while consumption of leafy and other types of vegetables is increasing. Consumption of processed vegetables is relatively minor.

Japan is essentially self-sufficient in vegetable production and expects to continue to be in the future. Some winter shortage of vegetables occurs, but greenhouse production has alleviated much of it. Onions, garlic, vegetables processed in brine, and frozen vegetables are the major imports. Taiwan is the largest supplier.

Prospects for exports to Japan from Vietnam appear to be good for onions and garlic. Vegetables partially processed in brine offer fair potential if the technical and economic feasibility of their production can be achieved. Export of frozen vegetables does not appear to be feasible at this time because of weak Japanese demand and ample supplies from other countries. Other fresh vegetables offer very little prospect because of the length of time required for transport and possible deterioration in quality. Japanese produce is of the highest quality. For successful market entry, any exports to Japan must be top quality upon arrival.

ANIMAL PRODUCTS

Per capita meat consumption in Japan has increased rapidly in recent years and is expected to continue climbing through 1982. Since domestic production will not be sufficient to satisfy domestic requirements, increasing meat imports are expected.

Vietnam's prospect of exporting meat and meat products to Japan during the next decade is extremely limited. Japan prohibits meat imports of bovines and pigs from many countries, including Vietnam, because of foot and mouth disease and rinderpest. The following are therefore prohibited from Vietnam: meat and meat offal of bovine animals and pigs, if fresh, chilled, or frozen; meat and edible meat offal, if salted, in brine, dried, or smoked (includes ham, bacon, and sausage).

Animal intestines, bladders, and stomachs boiled in water are not prohibited, may be imported duty free, and are not subject to import quota. However, the prospect for these byproducts is limited since Vietnam is not likely to produce enough for export, unless the domestic and/or foreign demand for pork and beef expands significantly. At such a time, Japanese markets may become a valuable outlet for these byproducts.

Prospects for exporting poultry meat to Japan are limited. Given the current wholesale price of poultry in Vietnam, and the c.i.f. price of dressed poultry in Japan, it is questionable whether poultry meat may be profitably exported in the near future, unless subsidized. Secondly, by 1982, Japan expects to satisfy domestic poultry meat requirements by domestic production.

Japan does not import fresh market eggs, but does import substantial quantities of processed eggs, primarily frozen whole eggs. The export of frozen whole eggs from Vietnam would not be profitable unless subsidized.

There is no apparent potential for exporting duck to Japan.

Canned meat is restricted by quota and there is a limited market in Japan. Canned poultry and pork are produced domestically in limited quantities and there were no reported imports.

SPECIALTY PRODUCTS

Spices produced in Vietnam appear to have good potential for export to Japan. Although strong competition exists among current supplier nations for a share of this market, the demand for imports is expected to expand. Japanese traders are interested in new sources of supply. Based on its recognition as a premier Vietnamese product, cinnamon appears to have the best potential for early entry into Japan. Although the Japanese have no experience with nutmeg produced in Vietnam, they prefer the type produced there.

Japanese consumers have traditionally consumed green tea; but, as Western influences have grown, demand for black tea has expanded as it has for coffee. Imports of black tea and coffee by Japan are expected to expand materially, offering export opportunities for producing countries. Distribution of both black tea and coffee in Japan tends to be concentrated among a few large firms; control of the market is complex. Vietnam's potential for exporting tea or coffee to Japan is difficult to assess. A demand exists if Vietnam can produce a quality product at competitive prices and overcome apparent institutional barriers to entry.

Although Japan imports mushrooms, it is a net exporter of this commodity. Trade sources did not see a favorable potential for importing mushrooms from Vietnam. However, they were unfamiliar with the "straw" mushroom produced in Vietnam.

There now appears to be little potential for export of Vietnam-produced flowers to Japan. Opening and expansion of travel to Vietnam may offer a market for sale of flowers to tourists.

INDUSTRIAL AND OTHER PRODUCTS

Prospects for increased exports of essential oils to Japan are not favorable. Current sources are adequate. Natural oils apparently face increasing competition from synthetics. Japan imports quite small amounts of essential oils and Vietnam would likely have to offer a superior quality product to gain

entry. However, some trade interest was found in expanding the sources of supply for patchouli oil and future import demand for this product appears more favorable than for citronella or lemongrass.

Japan is interested in expanding its sources of supply for feed grains and would be interested in obtaining sorghum from Vietnam. However, the potential for Vietnam entry in the Japanese market is not favorable because of Vietnam's lack of sufficient volume to realize economies of scale in handling and transportation that would make them competitive with Japan's major suppliers.

Japanese importers would like to develop new sources of imports of both castor beans and manioc starch. The variety of castor beans produced in Vietnam has a high oil content and is a high quality bean. Imports of castor beans by Japan are expected to increase if adequate supplies are available.

Imports of manioc starch in Japan are under quota. Although trade sources anticipate an increase in the quota, it appears likely this will continue to be a controlled item to protect Japanese starch producers. If Vietnam can produce quality manioc flour at competitive prices, a limited opportunity may exist for entering the Japanese market.

INTRODUCTION

During 3 weeks in October 1972, a five member team of GVN officials, assisted by advisors from USDA and USAID/Saigon, attempted to identify potential opportunities for exporting Vietnamese agricultural products to Japan.

During an orientation period in Vietnam, products that appeared to have export potential were examined and preliminary procedures for carrying out the study were made. An advance party with the assistance of the Vietnamese and American Embassies in Japan developed a tentative schedule and appointments for the full team upon its arrival. The Japanese External Trade Organization (JETRO) served as a central point for coordinating the study, provided counsel, identified government and trade officials, and arranged appointments with them. JETRO officials also arranged for interpreters, tours of marketing and port facilities, and provided many support services required by the team. The American Embassy provided invaluable guidance and assistance.

Activities of the team involved:

1. Meetings with officials of JETRO and the Ministries of Foreign Affairs, International Trade and Industry, and Agriculture and Forestry, where the team was briefed on functions of these agencies. Topics covered included general trade policy and practices; factors affecting trading (such as quotas, prohibitions, tariffs, and custom procedures); inspection and quarantine regulations and procedures; trends in consumption and production; product prices; and the organization of international trade. Opinions were solicited as to products believed to have the greatest potential to enter the Japanese market in view of consumption trends, domestic production, and policies affecting agriculture and trade.
2. Visits to observe the operation of Japan's distribution system from receipt of products at port of entry to their sale at retail. Various types of markets and support facilities in different locations were observed and products were closely inspected as to type, quality, method of packaging, size, uniformity, and other characteristics of the Japanese market.
3. Visits with selected importer associations and trading companies to discover the requirements for initiating trade and the mechanics of trade. Discussions with trading companies were oriented toward the import potential or outlook, current prices and suppliers, product specifications, and trade practices for specific products.

Importers and distribution facilities were visited in Tokyo, Yokohama, and Kobe. Except for the more general discussions, the team was divided into subgroups for greater product specialization. Members of the team and areas of responsibility were:

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OBJECTIVES AND METHODOLOGY

The two primary objectives of this study were:

1. To obtain and analyze information on the Japanese market that will be useful to the GVN and independent traders in identifying agricultural products which can be produced and exported to Japan in the next 5 years. The basic thrust of this objective was to collect comprehensive information on Japan's import demand for agricultural products, and policies and practices controlling trade.
2. To provide GVN officials responsible for developing and implementing agricultural policy and programs with personal insights as to Japan's import situation, helping them identify information needs and analytical requirements that must be met to implement and maintain an effective program to develop their agricultural exports.

To guide the team in meeting these goals, a study outline (see Appendix A) was developed, listing potential products to be examined and the types and kinds of information needed. Many of the product items on this list were eliminated when an initial screening showed little or no import potential by Japan. Thus, some of the products listed in the initial outline will not be discussed in the product sections of the report. In addition, not all information suggested in the outline was available during the study period.

Considerable material relating to Japanese agriculture trade regulations and restrictions, and distribution facilities was obtained. Most of this material should be accessible through Vietnam's Export Development Center in Saigon.

Japanese import data show value of imports in yen. Rates used to convert yen to U.S. dollars are shown in Appendix B.

A nation of over 100 million people and with a population growth of about 1 percent per year, Japan generates a substantial demand for a wide variety of imported goods, from raw materials to finished products. With rapidly rising income and a trend toward liberalization of imports, demand for imported goods, especially processed and manufactured goods, will continue to increase in the near future. Japan is likely to become the largest importing nation in the world.

Japan's total food marketing bill was an estimated \$33 billion in 1970, and per capita food expenditure was \$318. At rates of growth currently forecast, the total food marketing bill should rise to around \$72 billion and per capita food expenditures to \$649 by 1976. With yen revaluation, purchasing power would rise even higher.

Consumption as measured by caloric intake is much lower in Japan than in most developed countries. Japan's Ministry of Agriculture and Forestry forecasts that total consumption of calories per person will rise from about 2,500 per person in 1970 to around 2,800 in 1976. As caloric intake increases, the proportion obtained from starches such as rice will decline and the proportion obtained from vegetables, fruits, and meats will increase. Large increases are predicted for meats.

For example, in a "tentative plan concerning future prospects for demand and supply of agricultural products and production goals" proposed by the Japanese Ministry of Agriculture and Forestry in October 1972, it is estimated that by 1982 the per capita consumption of meat would probably double, rising from less than 12 kilograms in 1970 to between 21 to 25 kilograms, fruit would increase from 38.2 to over 50 kilograms, and vegetables from about 116 to around 140 kilograms. On the other hand, per capita rice consumption is expected to decrease 21 percent over this period. To meet these anticipated changes in consumption, Japan's agricultural policy calls for shifts in production effort and sharp increases in production efficiency. Goals set by policy makers call for domestic agriculture to maintain its current levels of self-sufficiency. These range from about 20 percent for ingredients going into concentrated feed stuffs to close to 100 percent for vegetables, for an overall level of about 75 percent.

Some trade sources believe that production goals for this high degree of self-sufficiency involving shifts of resources and improvement in production efficiency would be difficult to meet. Population growth and rising personal income indicate a continuing rise in the already substantial demand for imported agricultural products, creating opportunities for countries having suitable products for export.

Currently, Japanese consumers show a strong demand for their food in fresh form. Production and consumption of canned foods is very low compared to the United States. While domestic demand for food in fresh form will remain dominant, consumption of canned and frozen foods is growing rapidly from a

small base. Currently, however, most of the processed food is going into the institutional market where its convenience is being used in an attempt to reduce eating establishments' rising labor costs. This is a growing sector, now accounting for about 30 percent of total food demand. Consumption of frozen food in the home is very low but is increasing due to increased availability at retail, greater incidence of refrigeration in the home, and because frozen foods are considered to taste more like fresh than canned goods. However, traders indicate that there is already strong competition among suppliers to meet the current import requirements for canned and frozen foods.

In summary, despite a continuing policy of providing strong protection for its agriculture and a high degree of self-sufficiency in its agricultural production, Japan has a large and expanding demand for imported agricultural products. Commodities for direct consumption or as inputs or ingredients in processed food will continue to account for a major proportion of agricultural imports in the foreseeable future. However, over the long run, imports of processed agricultural products should show a greater proportional increase.

Since the early 1960's, the Japanese Government has progressively reduced quantitative restrictions on imports. However, even for items freed of quota, other forms of control such as tariffs may be used to protect domestic production. Tobacco and salt imports are controlled by the Japan Monopoly Corporation and through exclusive State trading of such items as rice, wheat, and barley.

Because of Japan's current trade imbalance, proposals are now under consideration to encourage imports through less restrictive trade policy. Proposals reported to be under consideration at the time of this study included: a general reduction in tariffs, larger quotas or fewer non-liberalized items, and greater preferential treatment. Specific agricultural products that may be affected were not identified. Until current proposals are resolved, their impact on the market for Vietnam's agricultural products cannot be evaluated.

Quotas controlling the volume of imports currently exist for 24 agricultural and marine products. Non-liberalized agricultural products and their Brussels Tariff Nomenclature (BTN) classification are:

<u>Livestock products</u>	<u>BTN No.</u>
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Meat of bovine animals	02-01
Milk and cream, fresh	04-01
Milk and cream, processed	04-02
Processed cheese	04-04
Canned beef and pork	16-02

<u>Fruits and vegetables</u>	
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Oranges and tangerines (fresh)	08-02
Oranges and tangerines, etc. provisionally preserved	08-11
Fruit puree and fruit paste	20-05
Canned pineapples, fruit pulp, and roasted ground nuts	20-06
Fruit juice (excluding lemon), tomato juice	20-07
Tomato ketchup and tomato sauce, as well as blended seasoner	21-04

CerealsBTN No.

Small red beans, broad beans, peas, etc.	07-05
Ground nuts (excluding those used for oil expression)	12-01
Tubers of Konnyaku, non-edible seaweeds, and denatured dates	14-05
Food preparations (containing added sugar, milk, seaweeds, wheat, etc.)	21-07

Sugars and starches

Starches and insulin	11-08
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It is reported that quotas for non-liberalized items are allocated to importers on the basis of past volume of imports. Thus, in most instances, the allotments are held by trading companies and entry into the Japanese market for such products would have to be through a trading company holding an allotment.

Import duties on items not prohibited or restricted are not generally excessive, although, as previously indicated, duties on specific products may be an effective barrier to entry. Applicable tariffs are noted in the sections of the reports dealing with specific products. Generally, duties are levied on an ad valorem basis covering the cost of an imported product plus the insurance and freight incurred in transporting the product to Japan (c.i.f.).

Products imported by Japan must show metric weights and measures.

To be imported into Japan, plants, along with their packing materials and containers, must have a certificate (phytosanitary) and shipping documents stating that the material has been inspected and found free of injurious plants and pests. Individual products to which this requirement applies are identified in the following sections. Since Vietnam currently has no government organ recognized by Japan for performing this inspection and certification, it must be arranged by the importer in accordance with provisions of the Plant Quarantine Law. Japanese trading companies are aware of all import requirements and can arrange for the inspection and certification which may be required.

Imports of several agricultural products, both plant and animal, are prohibited by Japan. These are noted in the following sections of the report. Even if an eradication program were immediately and successfully implemented, several years would be required before Vietnam could receive a clean bill of health. For those products for which Vietnam is a prohibited area because of pests or disease, there is no prospect for trade in the immediate future.

Products entering Japan are subject to very strict inspection procedures. Products not meeting requirements as to condition and sanitation requirements are barred from entrance.

For clearance through customs, the importer must normally present to officials a specified number of copies of the following documents: Import license, import declaration, a packing list, certificate of origin, bill of lading, and other documents required by customs to determine the value of goods if subject to tariff. These requirements are in addition to those required to meet plant and animal quarantine regulations.

If dealing with a trading company, this firm becomes the importer and will either prepare or guide the exporter in preparing the necessary paperwork.

JAPAN'S TRADE PRACTICES

Vietnamese exporters planning to enter the Japanese market should recognize the unique role that Japanese trading companies have in that country's international trade. In the late 1860's, Japan ended over 200 years of self-imposed isolation from international trade in response to pressures by other nations. It adopted a policy of industrial development. As development generated exports and an increasing need for imports, Japanese firms were not equipped to negotiate with buyers and sellers in the overseas market and handle the complexities of foreign exchange. Foreign firms moved into this vacuum and handled most of Japan's imports and exports for several years.

To break up this control of their foreign trade, the Japanese Government called on several major industrial groups to set up trading companies to conduct and control international trade. Since the late 1870's, Japanese trading companies, through the encouragement and assistance of the government, have played a dominant role in seeking out markets for exports and sources of import needs. In 1970, trading companies handled an estimated 69 percent of Japan's exports and 81 percent of the imports.

A trading company is an enterprise engaged in international trade with most of its revenues from activities of trade, wholesaling or retailing, as opposed to manufacturing. Only companies acting primarily as intermediaries in trade for other firms are included among trading companies.

Early Japanese trade companies tended to be only intermediaries in trade for other firms. They specialized in respect to products handled. But, as Japan expanded its trade, the type of products handled tended to broaden and the scope of activities expanded to include investments or integration in both production and distribution at home and abroad.

In 1970, close to 6,000 Japanese firms were classed as trading companies. However, it is a highly concentrated business with less than 1/10 percent of all trading companies handling about 60 percent of the import volume.

Japanese traders are often classified as "general" and "specialized." "General" trading companies may handle the export or import of between 7,000 and 10,000 different items and are usually largest in terms of trade volume. "Specialized" trading companies usually have a major proportion of volume in a limited product group or closely related items. Often, specialized trading companies are affiliated with general trading companies to provide the special knowledge or techniques required for handling certain products.

In 1947, during the occupation of Japan, two of the largest trading companies were broken up into a number of smaller firms; their overseas offices were closed. Many specialized and small trade companies experienced difficulties in the late 1940's and early 50's in adjusting to the rapid change in economic conditions. In 1952, the Bank of Japan provided special assistance for many trading firms experiencing financial difficulty and the government passed measures to encourage the development of trading firms, such as setting up

reserves for export contract cancellation, favorable treatment for export income, and special depreciation for assets used overseas. With such assistance, many Japanese trading firms have developed into worldwide enterprises.

Although it is not necessary to deal with a trading company to enter the Japanese market, it would be most feasible for Vietnam to take this course with agricultural products. Some apparent benefits are:

1. Trading companies have widespread and thorough knowledge of the requirements of and specifications for the Japanese market.
2. Trading companies know how to handle foreign exchange and prepare paperwork necessary for importing to Japan.
3. Trading firms, because of their scale of operations, may be able to arrange transportation and storage and other functions at lower cost than if attempted by an individual exporter, particularly if volume is small.
4. Trading firms can provide guidance or technical assistance to exporters on product preparation, packaging, etc.
5. Trading firms often provide credit and financing if needed by exporters.
6. Some trading firms may have control of distribution facilities which can be used to move products directly to consumers.
7. Some trading companies may be interested in joint ventures which would generate exports to Japan as well as third countries.
8. For countries with limited foreign exchange, large trade companies may arrange barter deals.
9. For non-liberalized items, the import quota may be allocated among trading companies by the Japanese Government. For such items, the exporter must deal with a trading company that has an allotment.

Several trading firms expressed an interest in trading in Vietnam's agricultural products. Some firms have had offices in Vietnam and experience with Vietnam products. With improved security, some trading firms may establish offices in Vietnam or send representatives to examine trade potential. The presence of Japanese trading firms in Vietnam could help exporters and government agencies identify products with export potential. They can also provide "know how" to initiate trade with Japan.

Most large or general trading companies handle a wide array of products. Identification of trading companies specializing in individual products or product groups may be obtained from the Japan External Trade Organization, 2, Akasaka Aoi-Cho, Minato-Ku, Tokyo 107, Japan.

TRANSPORTATION

Transportation capability and cost will be a critical factor in determining Vietnam's ability to enter the Japanese market and meet the competition of other nations supplying Japan with agricultural products.

Ocean transportation costs between Vietnam and Japan were difficult to ascertain because of lack of recent export trade between the two countries. In terms of distance, several nations currently exporting agricultural products to Japan (Taiwan, People's Republic of China, the Philippines, and Korea) appear to have an advantage over Vietnam.

Refrigerated cargo now moves from Taiwan to Japan in 2 to 4 days. Trade sources estimate that 6 to 8 days would be required from Vietnam. However, part of this time is taken up by calls at intermediate points between Vietnam and Japan. A sufficient volume of exports to support direct movement to Japan would substantially reduce this time.

Transportation time and its effect on quality is likely to be more critical than cost in determining the export potential for fresh and highly perishable products. The high quality of fresh produce available in all levels of the Japanese marketing system raises serious questions as to the ability of Vietnamese exporters to deliver equal quality--if 6 to 8 days are required for movement to Japan.

To realize an export transportation capability that is efficient and competitive with other nations supplying the Japanese market, Vietnam must develop an export volume which will support a transportation system that is responsive to its needs and interests. However, an efficient transportation link with the Japanese or other export markets can be realized only with the concurrent development of modern and efficient assembly, storage, and port facilities, and handling practices associated with transportation.

Regular air transportation links Vietnam and Japan and some empty cargo space exists on regular flights. Air may offer a means of moving a limited volume of high value and seasonal produce items to Japan.

More information on transportation of specific commodities is given in the sections to follow.

VEGETABLES

CONSUMPTION

Japanese consumers have become accustomed to a year-round supply of high quality vegetables. Total per capita consumption is 115.5 kilograms and is projected to increase 20 to 24 percent by 1982. Increased demand for vegetables is typical of more developed countries. The Japanese Ministry of Agriculture and Forestry expects that demand for edible roots will tend to level off, while demand for most other vegetables will increase considerably. Annual per capita and household consumption of selected items is given in table 1. Consumption of radishes, Chinese cabbage, leeks, and potatoes declined from 1965 to 1969. Little or no change was shown in the same period for cabbage, eggplants, and tomatoes. But, cucumbers, onions, lettuce, pimentos, and carrots made some increase.

Table 1.--Annual consumption of vegetables per capita and household, Japan, 1965 and 1969

Item	Kg per capita		Kg per household	
	by year		by year	
	1965	1969	1965	1969
Japanese radishes :	6.9	6.7	26.9	24.9
Chinese cabbage :	7.9	7.6	31.7	29.7
Cabbage :	6.9	6.9	26.3	25.6
Leeks :	---	---	10.0	9.4
Eggplants :	---	---	10.8	10.7
Tomatoes :	3.6	3.7	14.6	13.8
Cucumbers :	4.5	5.1	17.5	19.2
Onions :	5.1	5.5	19.2	20.6
Lettuce :	.4	.9	1.3	2.9
Pimentos :	---	---	1.8	2.8
Carrots :	1.8	2.0	---	---
Potatoes :	5.3	4.8	---	---
:				

Source: "Household Survey," Prime Minister's Office.

Japanese generally prefer fresh vegetables. However, some shift to processed forms is reported by industry sources as the country becomes more highly developed. Consumption of frozen vegetables is increasing but limited availability of home freezers restricts demand. Greatest increase in demand for frozen vegetables has come from institutional users. Pickled and canned vegetables are also expected to increase in total quantity consumed, but not to the extent of frozen.

Shifts in the seasonal pattern of consumption have taken place as a result of adjustments in supply of eggplants, tomatoes, and cucumbers handled by the Tokyo Central Market during the 1960's (table 2). During that period, less of the

annual volume of the market was handled in the June-August quarter and more became available in other quarters. Development of improved growing techniques and the widespread use of greenhouse culture generated the change. However, the winter quarter supply of these three vegetables is still relatively small.

Table 2.--Seasonal volume distribution of selected vegetables handled by Tokyo Central Wholesale Market, Japan, 1960, 1965, and 1969

Item	Year	Percent of annual volume by quarters					
		Dec.-	Mar.-	June-	Sept.-		
		Feb.	May	Aug.	Nov.		
:							
: - - - - - Percent - - - - -							
:							
Eggplants	1960	0.1	1.6	70.8	27.5		
Eggplants	1965	.7	7.8	70.3	21.2		
Eggplants	1969	1.7	11.9	56.4	30.0		
Tomatoes	1960	2.0	8.7	77.8	11.5		
Tomatoes	1965	3.9	21.8	58.4	15.9		
Tomatoes	1969	6.4	25.8	47.7	20.0		
Cucumbers	1960	2.3	13.4	55.3	29.0		
Cucumbers	1965	5.8	20.3	53.7	20.2		
Cucumbers	1969	7.8	22.7	43.0	26.5		
:							

Source: Annual Report, Tokyo Metropolitan Central Wholesale Market.

SUPPLY

Production

Japanese vegetable production has increased at an average rate of 4.5 percent annually since 1965, but this has not quite kept pace with demand. Recent annual production tonnages for the more important vegetables are given in table 3. Production of almost all these items has increased except the Japanese radish, which in 1965 had doubled the tonnage of the next largest item, Chinese cabbage.

Table 3.--Production of principal vegetables, Japan, 1965-70

Item	Year					
	1965	1966	1967	1968	1969	1970
----- <u>1,000 metric tons</u> -----						
:						
Cucumbers	773	879	963	983	955	965
Tomatoes	532	628	770	850	787	790
Pimentos	53	77	82	95	104	128
Lettuce	48	65	87	113	138	164
Cabbage	1,157	1,291	1,321	1,501	1,474	1,437
Chinese cabbage	1,541	1,607	1,620	1,867	1,871	1,739
Leeks	568	593	604	639	618	614
Japanese radishes	3,085	3,037	2,895	3,095	2,952	2,748
Onions	860	1,032	934	1,029	1,105	972
Eggplants	623	667	715	715	681	722
Carrots	---	---	---	---	---	496
Cauliflower	---	---	---	---	---	48
Japanese turnips	---	---	---	---	---	212
:						

Very limited information was obtained about vegetables produced for processing. In 1970, a total of 3.5 million cases of green vegetables (21.6 kg per case) were reported canned. This pack is a very small portion of the total production, accounting for no more than 75,000 metric tons of raw product.

Japan is almost self-sufficient in vegetable production. This is expected to continue over the next decade, according to the Ministry of Agriculture and Forestry. The Ministry has set a goal of self-sufficiency in vegetable production through 1982. This seems feasible, weather permitting. Rice lands are to be diverted to other uses because of the surplus of highly subsidized rice. Unless product prices are distorted by government programs, the normally higher profits from vegetable production should command adequate resources to maintain self-sufficiency.

Imports

Some vegetables are imported each year; these are primarily fresh and usually occur during the winter. Amounts of some important items are given in table 4.

Table 4.--Imports of selected vegetables, Japan, 1969-72

Item	Year				1972 a/
	1969	1970	1971	1972 a/	
<u>Metric tons</u>					
Onions	13,170	21,651	43,957	33,027	
Garlic	945	2,141	4,979	3,703	
Other, fresh	501	2,530	2,001	---	
Frozen vegetables	4,022	8,474	8,529	6,984	
Preserved in brine:					
Eggplants and					
leeks	1,743	4,097	5,068	5,694	
Other types	4,354	6,785	6,079	5,195	

a/ First 9 months.

Onions are by far the largest volume vegetable imported, aside from various types of dried peas and beans (not included in this study because Vietnam appears to have very little potential for exporting them). Also important are the vegetables partially processed in brine. These include small eggplants with broken leeks, ginger, and cucumbers. Garlic has shown substantial increase in annual volume, although still small in actual quantity. The small quantity of fresh vegetables imported other than onions and garlic is shown in table 4. Importers attributed this to the perishable nature of most vegetables and the distance from Japan of countries that export during the winter months.

Taiwan is Japan's major source of vegetables (table 5). Other major suppliers are Australia, People's Republic of China, the United States, and New Zealand. C.i.f. prices were calculated from total revenue (value) and total quantity. Prices for a given commodity vary somewhat between countries. One explanation for this is the time of year. Imports may occur only when prices are highest. Another explanation is the variation in quality of product. For example, the United States was reported by a Japanese wholesaler to have the best quality of onions, and those obtained from People's Republic of China were said to be of lower quality than those from Taiwan and Australia. Therefore, the price differential between countries appears to be the joint result of time and quality factors.

Monthly average prices(c.i.f.) for onions, garlic, and the two groups of vegetables in brine are presented in tables 6 and 7. These data cover all months from 1970 through September 1972 in which imports occurred. Seasonal variations are not too pronounced, but prices tend higher during December through April when domestic supplies are lowest. These vegetable products are not highly perishable; hence, storage helps dampen price fluctuations.

Also presented in tables 6 and 7 are quantities of each vegetable imported monthly. Onions are highly seasonal in volume of imports, with the peak month being March or April. Garlic is imported year around, with peak volume tending toward early spring; however, garlic imports were largest in 1972 for

Table 5.--Source, quantity, and price of selected vegetables imported by Japan, 1970 and 1971

Item and country	1970				1971			
	Quantity	Per cent of total	Price (c.i.f.)	Quantity	Per cent of total	Price (c.i.f.)		
	Metric <u>tons</u>	Percent <u>Yen</u>	Dol.	Metric <u>tons</u>	Percent <u>Yen</u>	Dol.		
Onions (total)	21,651	100	50 0.14	43,957	100	56 0.16		
Taiwan	9,663	45	49 .14	16,598	38	56 .16		
United States	6,391	30	51 .14	12,304	28	62 .17		
Australia	2,588	12	50 .14	7,114	16	50 .14		
P.R. of China <u>a/</u>	476	2	32 .09	199	1	31 .09		
Garlic (total)	2,141	100	92 .26	4,979	100	120 .34		
Taiwan	1,021	48	122 .34	2,915	59	120 .34		
P.R. of China <u>a/</u>	997	47	49 .14	1,425	29	53 .15		
United States	110	5	209 .58	553	11	271 .79		
Frozen vegetables:								
(total)	8,474	100	123 .34	8,529	100	121 .31		
Taiwan	2,425	29	108 .30	2,660	31	129 .36		
New Zealand	1,818	21	137 .38	3,009	35	128 .37		
Australia	1,949	23	129 .36	117	1	123 .34		
P.R. of China <u>a/</u>	794	9	96 .26	1,728	20	96 .28		
Eggplants and leeks (total) <u>b/</u>	4,097	100	68 .19	5,068	100	78 .22		
Taiwan	3,100	76	70 .19	3,690	73	78 .22		
South Korea	586	14	65 .18	892	18	82 .24		
P.R. of China <u>a/</u>	408	10	55 .15	399	8	64 .19		
Other brined vege- tables (total) <u>b/</u>	6,785	100	51 .14	6,079	100	50 .14		
Taiwan	3,933	58	55 .15	2,385	39	57 .16		
P.R. of China <u>a/</u>	2,640	39	41 .11	3,498	58	39 .10		
South Korea	117	2	108 .30	191	3	148 .36		

a/ People's Republic of China.

b/ Partially processed in brine.

Table 6.--Monthly and annual prices (c.i.f.) and quantities of onions and garlic imported by Japan, 1970-72

Month	Onions			Garlic		
	: 1970	: 1971	: 1972	: 1970	: 1971	: 1972
	<u>U. S. dollars per kg</u>					
January	--	0.113	0.159	0.472	0.585	0.578
February	0.136	.170	.161	.380	.500	.345
March	.131	.149	.146	.314	.380	.289
April	.142	.158	.131	.306	.230	.245
May	.115	.159	.136	.312	.255	.200
June	--	.072	--	.369	.184	.175
July	--	--	--	.158	.186	.245
August	--	--	.055	.153	.268	.223
September	--	--	--	.136	.240	.198
October	--	.122	<u>a/</u>	.151	.255	<u>a/</u>
November	--	.115	<u>a/</u>	.275	.558	<u>a/</u>
December	.142	.141	<u>a/</u>	.467	.561	<u>a/</u>
Average	.138	.156	.142	.256	.344	.252
	<u>Metric tons</u>					
January	--	345	320	5	268	172
February	266	7,168	2,394	113	167	246
March	6,656	10,807	18,540	301	976	608
April	7,560	19,635	11,521	357	567	418
May	753	605	236	28	149	168
June	--	150	--	7	414	268
July	--	--	--	52	347	137
August	--	--	16	113	312	919
September	--	--	--	471	336	766
October	--	29	<u>a/</u>	306	644	<u>a/</u>
November	--	212	<u>a/</u>	150	478	<u>a/</u>
December	6,417	1,640	<u>a/</u>	238	323	<u>a/</u>
Total	21,651	43,957	33,027	2,141	4,979	3,703

a/ Data not available.

Table 7.--Monthly and annual prices (c.i.f.) and quantities of vegetables partially processed in brine imported by Japan, 1970-72

Month	Eggplants and leeks			Other brined vegetables		
	1970	1971	1972	1970	1971	1972
	<u>U. S. dollars per kg</u>					
January	0.170	0.193	0.211	0.123	0.114	0.231
February	.172	.189	.186	.129	.113	.145
March	.175	.199	.190	.127	.126	.131
April	.183	.215	.200	.176	.266	.229
May	.197	.219	.191	.153	.117	.160
June	.191	.192	.194	.160	.100	.413
July	.193	.209	--	.119	.111	.269
August	.181	.233	.266	.111	.128	.182
September	.185	.225	.327	.109	.173	.384
October	:185	.225	a/	.165	.194	a/
November	.194	.319	a/	.207	.265	a/
December	.188	.324	a/	.240	.306	a/
Average	.188	.223	.231	.141	.143	.256
				<u>Metric tons</u>		
January	111	165	289	545	674	422
February	139	304	350	715	433	590
March	251	273	411	849	364	711
April	364	601	544	629	186	416
May	745	795	762	782	806	402
June	407	700	476	819	573	989
July	438	578	--	535	973	346
August	424	243	1,243	984	650	549
September	270	574	856	322	486	770
October	349	408	a/	178	468	a/
November	346	191	a/	188	312	a/
December	253	236	a/	245	156	a/
Total	4,097	5,068	5,694	6,785	6,079	5,194

a/ Data not available.

August and September (as a result of extra large shipments from People's Republic of China and Taiwan). Brined vegetables are imported all year but tend to have largest shipments in summer months.

EXPORTING VEGETABLES TO JAPAN

A number of vegetables were considered initially as having potential for export to Japan. These were:

Onions
Garlic
Radishes
Cool weather vegetables
Asparagus
Green beans
Sweet corn

In addition, peanuts were evaluated, but their discussion will follow the vegetable section.

Import Restrictions

Most vegetables can be exported without restriction or quota. However, one exception is the sweet potato, because of potato weevil.

Vegetables exported to Japan are subject to a tariff of 10 percent of the c.i.f. value. However, the rate for garlic is only 5 percent. All agricultural commodities must be inspected upon arrival at an approved port of entry.

Transportation

Ships on a regularly scheduled route from Saigon to Japan require 6 to 8 days for delivery. This long period of time is partially the result of stops at two to three other ports enroute.

Freight rates between Saigon and Japan were difficult to obtain because there has not been a need for the establishment of rates for vegetables for a number of years. States Line quoted the following rates per metric ton:

Reefer cargo	US\$41.88
Bagged rice	US\$17.63
Canned products	US\$20.11

The Mitsui-O.S.K. Line quoted the rate of US\$33.40 per metric ton (f.i.o.) for bananas. However, in addition, this company would make surcharges of 14 and 10 percent for currency and war risk, respectively.

These rates might be reduced when the war ends and some agricultural shipments have been made.

Some vegetables under consideration are highly perishable in the fresh form. Representatives of wholesalers and trading companies were very skeptical about maintaining product quality for the 6 to 8 days of ship transport. This is an extremely important point since the Japanese are very quality conscious.

Shipping arrangements should be made through Japanese trading companies, some of which have representatives in Vietnam. These representatives can provide other details concerning arrangements and documents required for shipping.

Financial and Sales Arrangements

As a general rule, sales should not be made on a consignment basis unless required for initial market entry. Sales are usually made to a Japanese trading company with title of ownership transferring at the port of shipment. This would enable all remaining price risks to be shifted to the trading company, with full payment for the product made by letter of credit.

Evaluating Export Potential

Information obtained in this study is not sufficient to determine the economic feasibility of exporting vegetables to Japan. Expected c.i.f. prices must have freight and insurance (if any) costs subtracted to determine a dockside price. Vietnamese growers and shippers must then decide if they can profitably grow, pack, and ship for that price. Vietnam may have an advantage in that its season of greatest supply and lowest prices for vegetables comes during the Japanese winter.

Comments concerning the various commodities or commodity groups follow.

Onions

Japanese marketing firm representatives showed more interest in Vietnam's onions than any other vegetable. Import data show onions to have the greatest volume of vegetable imports. Consumers prefer yellow onion varieties. Some restaurants use red varieties, but volume is quite low. Onions should be packed by size in 20 kg open mesh bags or wooden boxes. Shipments in lots of 50-100 metric tons are preferred.

Garlic

Although Japan produces about 6,500 metric tons of garlic annually, it imports 2,000 to 5,000 metric tons. This preference is for large garlic bulbs. The Japanese varieties have six to seven cloves per bulb. Garlic is packed in 12 kg boxes or open mesh bags. Wooden boxes are used if the bulbs are not well cured. Otherwise, fiberboard boxes are used. Well-cured garlic is also placed in 1 kg bags. Shipments of garlic should be in lots of 20 metric tons or larger.

Vegetables in Brine

These items were not on the list of vegetables to be studied, but the amount of imports and nature of the products and processing suggest that they may be well suited for production in Vietnam. The pickle industry showed strong interest in establishing production in Vietnam and offered technical assistance.

Products of special interest were ginger, cucumbers, and small eggplants with broken pieces of leeks. These imported products are partially preserved in a brine made from salt and citric acid. The industry representative indicated that quality control was very critical. For example, a specific variety of ginger is required. A pilot operation would need to be established first to test the raw materials. If technically and economically feasible, then a larger plant could be established.

Success of this operation depends on a reasonably low price for raw materials. Even though quality control is very important, the Japanese must use vegetables not suited for the fresh market in their domestic production. Fresh market vegetable prices are too high to produce pickled vegetables at a cost competitive with imports.

Radishes

An abundant supply is being produced in Japan and the demand is declining. None are being imported; therefore, no c.i.f. prices. No potential for Vietnam.

Cool Weather Vegetables

Included in this group are cabbage, Chinese cabbage, broccoli, lettuce, cauliflower, and carrots. Domestic production of these crops was reported adequate and no imports were reported. No apparent potential for Vietnam.

Asparagus

Asparagus imports appear to be in the canned and frozen forms only. Data was not published for these imports, so c.i.f. prices could not be obtained. Taiwan was mentioned as one of the main sources of asparagus. Transportation looms as a major problem if fresh shipments are made from Vietnam. Air transportation may be too costly and maintaining quality with surface shipments is likely to prove quite difficult. Vietnam may find some export potential for canned asparagus if it develops a modern vegetable canning industry.

Other Vegetables

The Japanese do not consume much green beans and sweet corn. There was no published record of imports. The problem of maintaining quality of the fresh form while being transported from Vietnam is considered by the trade to be insurmountable.

Peanuts

The Japanese import a substantial part of their peanuts. This seems likely to increase if production continues its downward trend. Production for the last 5 years was:

1967	87,650 metric tons (shelled basis)
1968	78,950 ditto
1969	81,000 ditto
1970	80,100 ditto
1971	71,450 ditto

Imports for the past 2½ years along with c.i.f. prices are:

1970	59,007 metric tons	¥ 120.9/kg	\$0.326/kg
1971	52,382 metric tons	¥ 127.7/kg	\$0.364/kg
1972 (7 mos.)	38,242 metric tons	¥ 120.5/kg	\$0.391/kg

Total imports for 1972 are expected to reach 55,000 metric tons.

Peanut imports are under quota. Leading countries currently exporting to Japan are People's Republic of China, India, and the United States. The Sudan, Indonesia, and Brazil have been important suppliers in previous years, but have declined in 1972 to date.

Peanuts are shipped without the shell. They must be free of any trace of aflotoxin upon arrival if for table consumption. Very precise tests are run to determine presence of aflotoxin.

Prospects for Vietnam exporting peanuts to Japan are not good. It is difficult to obtain a quota from a trading company. Pressures from other countries for larger quotas are reported to be great.

ANIMAL PRODUCTS

As the general economic and market descriptions in previous sections indicate, Japan has shown considerable economic growth. Forecasts indicate that this will continue. Higher incomes and improved dietary conditions have spurred demand for meat products, some of which are not available in sufficient quantities from domestic sources. While future meat imports are expected to increase, the Japanese import quota system, high tariffs, and sanitary and quarantine restrictions create serious obstacles for Vietnam's potential of exporting many animal products to Japan.

DOMESTIC PRODUCTION AND CONSUMPTION

Meat consumption in Japan has increased rapidly in recent years. Continued increases are expected. Table 8 illustrates the growth in Japan's total domestic consumption of beef, pork, and poultry meat for the 1960-71 period. Although domestic production increased substantially during this same period, meat imports also increased. While consumption of poultry meat and pork increased rapidly, the increase in beef consumption has been retarded due to high domestic price levels for beef, about three times the international price level.

Pork production ranks first in Japan. Broilers rank second. Production of broilers has shown a rapid increase due to the well organized marketing. Poultry meat provided about a third of all meat produced in 1970, as opposed to only 18 percent in 1960. At the same time, beef, which was 35 percent of all meat produced in 1960, dropped to 18 percent in 1971.

Beef and poultry meat imports showed an upward trend from 1960-71, while pork imports fluctuated greatly during this period. During 1971, 41.6 thousand metric tons of beef and 27.2 thousand metric tons of both pork and poultry meat were imported. The quantity of meat exported from Japan is insignificant and highly variable from year to year.

Domestic production of processed and canned meats increased over the 1960-71 period (table 9). In 1971, production of canned meat was approximately 2 percent of total meat production, while production of processed meat accounted for 15 percent of total meat production. Processed meat is broken down into ham, sausage, and bacon; and canned products into corned beef, poultry meat, and pork. In 1971, the most significant processed meat items produced domestically were ham (124 thousand metric tons), followed by sausage (118 thousand metric tons) and bacon (8 thousand metric tons). Production of canned poultry meat showed the greatest growth during 1969-71, while the production of canned pork is negligible.

Projections of demand for and supply of livestock products, and production goals for 1972 and 1982, have been made by the Ministry of Agriculture and Forestry (table 10). Per capita consumption of meat was 8.4 kg in 1966 and is projected to reach at least 17.2 kg in 1977, and 21.4 kg by 1982. The largest increase is expected for chicken and pork. Domestic meat production is

Table 8.--Meat production and consumption, Japan, 1960-71

Year	Production	Exports	Imports	Domestic consumption 1/ Pork :Chicken :Beef :Pork :Chicken :Beef :Pork :Chicken
	Beef : Pork : Chicken :Beef :Pork :Chicken :Beef :Pork :Chicken :Beef :Pork :Chicken	Metric tons	Metric tons	
1960	:142,451 147,318 74,650	117 -	54 5,788	5,897 5 148,122 153,215 74,601
1961	:142,748 206,288	97,077 48 -	49 5,360	988 91 148,060 207,276 97,119
1962	:146,124 324,188	120,731 13 43	11 4,764	2 284 150,875 324,147 121,004
1963	:185,929 279,354	141,910 25 11	11 4,689	6,512 3,471 190,593 285,855 145,370
1964	:223,927 298,057	176,075 21 17	2 6,200	4,015 5,936 230,106 302,055 182,009
1965	:207,774 363,513	204,340 51 11	2 10,814	70 6,135 218,537 363,572 210,473
1966	:156,135 504,667	240,017 103 13	30 13,493	28 7,935 169,525 504,682 247,922
1967	:146,640 556,760	291,958 16 73	251 13,793	1 8,400 160,417 556,688 300,107
1968	:160,215 520,242	328,254 16 71	82 13,503	10,484 16,204 173,702 530,655 344,376
1969	:215,960 508,461	400,109 25 84	127 18,624	42,651 20,103 234,559 551,028 420,085
1970	:260,531 648,193	486,164 15 12	803 23,227	17,149 10,686 283,743 665,330 496,047
1971	:275,071 749,693	536,169 16 18	537 41,572	27,204 27,162 316,627 776,879 562,794

Source: Meat Statistics in Japan, Japan Meat Conference, October 1, 1972.

1/ Domestic consumption = (Production - Export) + Imports.

Table 9.--Production of processed and canned meat, Japan, 1960-71

Year and month	Processed 1/			Canned 2/		
	Ham	Bacon	Sausage	Corned beef	Pork	Poultry meat
	Metric tons					
1960	34,176	2,223	37,801	2,423	255	289
1961	46,922	2,614	49,772	2,105	275	636
1962	57,542	2,810	63,832	2,017	11	242
1963	54,690	2,350	56,644	2,110	164	285
1964	61,448	2,706	60,317	2,235	57	600
1965	66,614	2,955	66,309	3,018	33	273
1966	79,063	3,642	72,187	3,118	29	728
1967	85,735	4,282	82,783	3,599	125	431
1968	94,535	4,546	92,036	3,383	350	845
1969	105,802	5,049	103,396	5,163	0	1,520
1970	117,090	6,542	105,840	4,917	*	2,598
1971	124,360	8,100	118,380	5,299	*	4,921
<u>1970</u>						
January	5,090	280	6,230			
February	7,130	430	7,450			
March	8,850	530	8,460			
April	9,100	480	8,620			
May	9,010	490	9,090			
June	9,760	590	8,840			
July	10,760	580	9,100			
August	10,930	530	8,300			
September	9,680	600	9,190			
October	9,600	640	10,330			
November	11,160	650	9,690			
December	15,900	720	10,540			
<u>1971</u>						
January	5,470	330	6,610			
February	7,690	580	8,470			
March	9,860	710	9,470			
April	9,860	610	9,620			
May	10,410	610	10,440			
June	10,600	640	10,140			
July	12,000	780	10,240			
August	11,030	670	9,320			
September	9,810	670	10,800			
October	9,040	760	11,360			
November	12,120	810	10,760			
December	16,470	930	11,150			
<u>1972</u>						
January	5,540	400	6,970			
February	8,500	760	9,200			
March	10,530	840	10,710			
April	10,480	760	10,680			
May	11,240	810	11,230			
June	11,260	800	10,620			
July						
August						

*Not available, classified as other meat.

1/ Source: Production of Processed Meat Products, Ministry of Agriculture and Forestry.

2/ Review of Canned Goods, Japan Canner Association.

Table 10.--Consumption, demand, and production of livestock products,
Japan, 1966 and 1972, with projections for 1977 and 1982

Item	Per capita consumption :			1977			1982		
	1977	1982	Demand	Domestic	Imports	Domestic	Imports	Demand	Domestic
<u>:1966:1972:Low :High :Low :High : Low :High :Demand:production:Imports</u>									
			Kg						(1,000 metric tons)
Meats (excluding: whale meat)	8.4	11.6	17.2	19.5	21.4	25.5	2,439	2,771	2,300
Beef	:	:	:	:	:		308		500
Pork	:	:	:	:	:		1,364		1,800
Poultry	:	:	:	:	:		617		1,100
Other	:	:	:	:	:		11		55
Eggs	9.2	14.8	14.4	15.2	16.3	1,887	1,987	1,907	0
								80	2,270
									2,270
									0

Source: Long Range Outlook of Demand and Supply of Agricultural Products, Ministry of Agriculture and Forestry.

expected to reach 2.3 million metric tons in 1977, and 3.5 million metric tons by 1982. Although total meat imports are estimated at 445 thousand metric tons for 1982, the Ministry of Agriculture and Forestry maintains the attitude of avoiding future import liberalization of farm products. Unfortunately, projections of demand by types of meat for 1977 and 1982 are not made public. Thus, projected import requirements for beef, pork, and poultry meat are not available. It is generally expected that the greatest import need will be for beef, followed by pork and then poultry meat.

Egg consumption in Japan increased rapidly in the past. The current level of per capita consumption (14.8 kg) is almost equal to that in other advanced countries. This level of consumption is not expected to increase greatly by 1982. Egg consumption was 9.2 kg per person in 1966, and is projected to reach 16.3 kg per person by 1982. Japan's market egg requirements are met by domestic production. Some processed eggs, primarily frozen whole eggs, are currently imported; but, by 1982, Japan expects to be totally self-sufficient in egg production.

IMPORTS

Sanitary restrictions in Japan prohibit imports of meat from bovine animals and pigs from countries where there is occurrence of foot and mouth disease and rinderpest. More specifically, fresh, chilled, or frozen beef and pork; edible meat offal of bovine animals, salted, in brine, dried or smoked; and ham and sausages are prohibited from countries that are not free of foot and mouth disease and rinderpest.

Japan's monthly imports of beef, pork, and poultry meat as reported by the Ministry of Finance for January 1969 to August 1972 are presented in table 11. The values shown in thousands of yen and converted to dollars per kg are on a c.i.f. basis, Japan. The exchange rates used in the conversion of yen to U.S. dollars are presented in Appendix B.

Japanese meat importers do not enter into long-term contracts with suppliers, but operate on a spot contract basis. While meat is imported year around, a seasonal pattern of quantities imported is not evident. Monthly beef imports and the corresponding c.i.f. prices have increased gradually during the 1969-72 period with minor monthly fluctuations. On the other hand, monthly imports of pork and poultry meat demonstrated greater variability from month to month. While c.i.f. prices for pork showed some variability during the last 3½ years, there was remarkable stability of c.i.f. prices for poultry meat. In August 1972, approximately 6.3 thousand metric tons of beef were imported at an average c.i.f. value of \$1.29 per kg. Approximately 6.2 thousand metric tons of pork were imported at a c.i.f. price of \$1.50 per kg, and 2.6 thousand metric tons of poultry meat were imported at a corresponding c.i.f. price of \$0.77 per kg.

Quantities of beef imported and corresponding c.i.f. prices by selected countries are presented in table 12. In 1966, Australia provided 69 percent of Japan's beef imports; this share increased annually to 89 percent of total imports in 1971. Other suppliers of beef include New Zealand, United States,

Table 11.--Monthly imports of beef, pork, and poultry meat,
and c.i.f. values, Japan, 1969-72

Year and month	Beef imports				Pork imports				Poultry imports			
	Quantity		Value	: Value (c.i.f.)	Quantity		Value	: Value (c.i.f.)	Quantity		Value	: Value (c.i.f.)
	Kg	1,000 yen	\$/kg		Kg	1,000 yen	\$/kg		Kg	1,000 yen	\$/kg	
1969												
January	2,316,905	766,561	.92		3,496,489	1,280,964	1.02		1,638,367	400,291	.68	
February	876,286	265,401	.84		1,899,431	713,126	1.04		658,876	182,456	.77	
March	1,129,656	350,260	.86		2,018,486	812,042	1.12		1,275,036	326,640	.71	
April	491,752	149,012	.84		438,923	165,011	1.04		943,285	245,352	.72	
May	1,391,420	385,109	.77		2,256,249	895,591	1.10		1,691,479	484,339	.80	
June	1,320,885	356,023	.75		6,105,055	2,436,987	1.11		1,555,566	431,003	.77	
July	1,536,025	431,197	.78		3,653,684	1,556,090	1.18		2,037,774	560,462	.76	
August	1,795,814	529,512	.82		1,712,533	789,206	1.28		1,931,424	525,040	.76	
September	1,881,898	588,297	.87		2,304,011	1,072,216	1.29		2,139,287	542,124	.70	
October	1,958,164	590,984	.84		3,510,606	1,675,287	1.33		1,526,607	425,777	.77	
November	1,957,580	628,188	.89		8,898,835	4,293,066	1.34		3,369,445	904,568	.75	
December	1,967,529	637,783	.90		6,356,783	2,934,200	1.28		1,336,145	361,980	.75	
1970												
January	1,633,971	513,026	.87		565,317	235,055	1.15		1,107,736	290,452	.73	
February	1,014,851	358,187	.98		384,001	163,241	1.18		857,382	223,301	.72	
March	1,344,954	455,436	.94		210,911	77,480	1.02		738,109	195,731	.74	
April	1,092,193	405,805	1.03		576,770	224,337	1.08		769,046	215,250	.78	
May	1,330,905	496,246	1.04		948,903	428,623	1.25		700,894	206,654	.82	
June	2,600,554	925,660	.99		858,651	439,234	1.42		435,719	110,705	.71	
July	2,016,523	647,319	.89		2,203,163	979,973	1.24		322,282	90,843	.78	
August	1,649,956	603,801	1.02		1,375,641	607,777	1.23		605,955	155,839	.71	
September	2,686,566	898,054	.93		3,022,794	1,367,352	1.26		594,201	169,616	.79	
October	2,175,788	757,153	.97		1,840,177	806,791	1.22		1,708,637	467,165	.76	
November	3,079,940	1,030,859	.93		2,746,274	1,244,127	1.26		1,846,911	493,598	.74	
December	2,600,741	933,679	1.00		2,416,140	959,527	1.10		999,321	272,143	.76	
1971												
January	2,756,957	867,177	.87		368,978	177,195	1.33		990,477	279,371	.78	
February	2,117,623	807,376	1.06		84,908	38,916	1.27		1,782,114	434,375	.68	
March	2,188,005	794,789	1.01		236,067	118,620	1.40		1,147,839	306,988	.74	
April	2,610,125	1,012,282	1.08		149,260	67,723	1.26		3,018,984	718,347	.66	
May	3,516,715	1,315,600	1.04		130,854	62,173	1.32		2,518,547	598,253	.66	
June	4,859,504	1,953,548	1.12		321,315	148,654	1.29		1,802,422	422,239	.65	
July	3,272,518	1,309,708	1.11		3,914,025	1,665,797	1.18		881,545	221,963	.70	
August	3,462,897	1,438,820	1.15		2,137,169	943,377	1.23		1,627,732	391,337	.67	
September	4,518,964	1,731,314	1.11		2,650,445	1,107,206	1.21		1,469,813	374,108	.74	
October	4,971,226	1,946,149	1.17		3,821,387	1,632,512	1.28		1,506,155	361,710	.72	
November	3,663,501	1,470,942	1.22		4,720,489	1,938,423	1.25		5,241,505	1,212,506	.70	
December	3,633,551	1,534,909	1.32		8,668,973	3,318,945	1.20		5,174,689	1,227,951	.74	
1972												
January	4,629,546	1,689,802	1.19		1,059,059	421,976	1.29		1,685,710	406,609	.78	
February	5,684,917	2,242,988	1.28		279,778	136,601	1.59		2,766,510	655,169	.77	
March	5,077,811	2,096,820	1.34		599,238	307,753	1.67		2,433,598	581,646	.78	
April	3,862,838	1,633,354	1.37		1,634,401	762,309	1.51		1,422,170	343,443	.78	
May	3,094,815	1,314,797	1.38		7,864,850	3,391,778	1.40		1,099,927	260,299	.77	
June	1,786,832	838,264	1.52		12,862,796	5,544,445	1.40		2,643,575	624,923	.77	
July	1,579,149	709,864	1.46		10,657,680	4,672,128	1.42		1,103,217	261,592	.77	
August	6,326,778	2,511,696	1.29		6,186,960	2,861,289	1.50		2,561,940	604,150	.77	

Source: Japan Exports and Imports, Ministry of Finance.

and the Ryukyus. The c.i.f. beef price varies considerably between countries primarily because of quality variations. While the United States exports higher priced fed beef, Australia supplies nonfed beef, primarily chuck and brisket. In 1971, the average c.i.f. price of beef imported from Australia and the United States was \$1.10 per kg and \$2.53 per kg, respectively.

Beef is a non-liberalized item, thus imports are restricted by quota. For the past few years, Japan has granted an annual 500 metric ton quota for high quality beef for hotel use. In 1972, the quota was raised to 1,000 metric tons. This is in addition to a 36,000 ton general quota which has been expanded over the past few years. The quota for April 1972-March 1973 is expected to reach 58,000 metric tons. Frozen brisket and chuck are generally imported in 60-pound cartons and must be transported at -20° C. The standard method of settlement is by means of letter of credit. The import tariff on beef is 25 percent ad valorem.

During 1968-71, pork was imported primarily from the United States, Canada, and Australia (table 13). Although the United States is the largest supplier of pork, its share of Japan's pork imports declined from 85 percent in 1968 to 53 percent in 1971. Canada's share of imports increased from 2 percent in 1968 to 34 percent in 1971. There is some price variation between countries. During 1971, the average c.i.f. price of imported pork from the United States was \$1.06 per kg and from Canada \$1.28 per kg.

Pork is imported in half carcasses weighing 60-80 pounds per piece; boneless pork loin (6-10 pounds per piece); and Boston butts (4-8 pounds per piece) packed in 60-pound cartons and frozen. Payment for the product is by means of letter of credit.

The source of imported poultry meat is more evenly distributed among the United States, Denmark, Bulgaria, and People's Republic of China (table 14). The variation in price among People's Republic of China, Denmark, and Bulgaria is not great, but the price for U.S. poultry is substantially higher. This is probably due to the better quality of the U.S. product.

The Japanese trading companies are primarily importing three types of poultry--grillers, fryers, and chicken parts. The so called "griller" is an eviscerated bird without the head, neck, and feet; it weighs 800-900 grams from the United States or 575-625 grams from European sources. Each bird is individually vacuum packed in a polyethylene bag shipped in a master carton containing 6-12 birds. Fryers are virtually the same as grillers, except the neck and giblets are individually wrapped and placed in the eviscerated bird. Regarding chicken parts, Japan imports mostly legs weighing 4-6 oz. each; these are packed into 5 pound carton boxes, then into a master carton, weighing 30 pounds. Some chicken breasts with legs are also imported.

Potential suppliers will generally make offers to Japanese trading companies on a c.&f. basis. As one official explained, a trading company will obtain freight insurance through its own insurance company. Examples of offers received during October 1972 include: one U.S. firm offered to sell chicken legs at a c.&f. price of \$0.37 per pound; another firm from Denmark offered

Table 12.--Beef imports from selected countries, Japan, 1966-71

Year	Ryukyu Islands	U. S. A.	Australia	New Zealand	Annual
	Quantity : Value(c.i.f.)	Quantity : Value(c.i.f.)	Quantity : Value(c.i.f.)	Quantity : Value(c.i.f.)	Beef : Value(c.i.f.)
	Metric tons	Yen/kg \$/kg	Metric tons	Metric tons	Metric tons
1966	811	533 1.48	36	396 1.10 9,345	274 0.76 3,293
1967	1,454	655 1.82	8	1,657 4.60 9,938	319 .89 2,393
1968	1,133	622 1.72	41	1,558 4.32 10,031	326 .91 2,298
1969	383	518 1.44	97	1,409 5.21 15,062	293 .81 3,081
1970	175	515 1.43	362	1,355 3.76 20,123	323 .90 2,511
1971	69	513 1.46	507	889 2.53 36,959	385 1.10 4,004

Source: Materials related to livestock products by Japan Livestock Products Association, March 1972.

Table 13.--Pork imports from selected countries, Japan, 1968-71

Year	Canada	U. S. A.	Australia	Annual
	Quantity : Value (c.i.f.)	Quantity : Value (c.i.f.)	Pork : Value (c.i.f.)	Beef : Value (c.i.f.)
	Metric tons	Yen/kg \$/kg	Metric tons	Metric tons
1968	230	353 0.98	8,895 387 1.07	138 339 0.94
1969	1,965	582 1.62	28,983 434 1.21	4,429 358 .99
1970	2,930	562 1.56	7,589 424 1.18	808 336 .93
1971	9,265	448 1.28	14,264 371 1.06	124 352 1.00

Source: Materials related to livestock products by Japan Livestock Products Association, March 1972.

Table 14.--Poultry meat imports from selected countries, Japan, 1966-71

Year:	P. R. of China			Denmark			Bulgaria			U. S. A.			Annual		
	Quantity:	Value(c.i.f.)	Quantity:	Value(c.i.f.)	Quantity:	Value(c.i.f.)	Quantity:	Value(c.i.f.)	Quantity:	Value(c.i.f.)	Quantity:	Value(c.i.f.)	Poultry meat imported:	Value(c.i.f.)	
	Metric tons	Yen/kg	Metric tons	Yen/kg	Metric tons	Yen/kg	Metric tons	Yen/kg	Metric tons	Yen/kg	Metric tons	Yen/kg	Metric tons	Yen/kg	
1966	1,326	201	0.56	741	248	0.69	0	0	5,469	297	0.83	7,935	274	0.76	
1967	1,201	206	.57	2,189	210	.58	90	197	0.55	4,798	.80	8,400	253	.70	
1968	2,167	209	.58	3,685	204	.57	1,705	202	.56	6,472	.84	16,204	245	.68	
1969	1,993	221	.61	4,885	232	.64	3,206	218	.61	6,266	.94	20,103	268	.74	
1970	1,847	233	.65	1,026	230	.64	929	236	.66	4,547	311	.86	10,686	271	.75
1971	4,725	232	.66	3,342	216	.62	4,657	219	.62	6,811	299	.85	27,162	241	.69

Source: Materials related to livestock products by Japan Livestock Products Association, March 1972.

"grillers" (50 percent at 805 grams and 50 percent at 900 grams) at a c.&f. value of \$0.32 per pound. Most poultry meat is transported by ships with reefer chambers, although some preference was expressed for containerized ships.

The quantity of imported processed meat has increased in recent years. The annual (1960-71) quantity of ham, bacon, sausages, and corned beef imported and exported, and corresponding c.i.f. prices, are presented in table 15. Although sausage is the largest imported processed meat item, Japan is a net exporter of sausage. The largest suppliers of sausage include Denmark, the United States, and Norway. In 1971, an estimated 207 metric tons of sausage were imported at a corresponding c.i.f. price of \$1.44 per kg. Ham and bacon are primarily imported from Denmark, the United States, and Canada. During 1971, approximately 151 metric tons of ham and bacon were imported at an average c.i.f. price of \$1.37 per kg.

Japan imports large quantities of frozen whole eggs, some frozen whites, and chilled yolks. The largest share of imports presented in table 16 is frozen whole eggs. During 1971, approximately 22 thousand metric tons were imported by Japan at a c.i.f. price of \$0.40 per kg. The major suppliers of frozen whole eggs are Australia, New Zealand, the United Kingdom, and South Africa. Given the relatively low value of frozen whole eggs, supplying countries view exports as a means of disposal for domestic surplus.

POTENTIAL FOR EXPORTING ANIMAL PRODUCTS TO JAPAN

Japanese government and industry officials are working together to meet growing consumer demand for meat and meat products by increasing domestic production and by maintaining controlled growth in imports.

Beef

There is currently no beef export potential for Vietnam, since Japan prohibits beef from areas infected with foot and mouth disease and rinderpest.

Officials at the Japanese Animal Health Division have indicated that Vietnam would have to be disease free of foot and mouth and rinderpest for 3 to 5 years before Japan would consider removing the prohibition. It should be pointed out that conditions in neighboring countries would also be taken into consideration before the prohibition could be lifted. It is suggested, therefore, that any proposed eradication program for the mentioned diseases be carried out in cooperation with Laos and Cambodia, if at all feasible. An exchange of information is advised between Vietnam's Directorate of Animal Production and Health and Japan's Animal Health Division, Ministry of Agriculture and Forestry, regarding Vietnam's disease conditions and plans and programs for disease control.

Even if Vietnam were to eradicate the diseases that currently prohibit exports to Japan, it should recognize Japan's policy of restricting imports of beef to protect its domestic livestock industry.

Table 15.—Imports and exports of ham, bacon, sausages, and derived c.i.f. values, Japan, 1960-71

Year	Ham, bacon					Sausages					Corned beef		
	Imports		Exports			Imports		Exports			Imports		
	Kg	1,000 yen	\$/kg	Kg	1,000 yen	\$/kg	Kg	1,000 yen	\$/kg	Kg	1,000 yen	\$/kg	
1960	103,344	51,796	1.39	720	426	1.64	102,624	6,668	2,726	1.14	233,825	31,039	.37
1961	112,786	51,540	1.27	6,779	2,124	.87	106,007	39,017	16,125	1.15	17,508	3,428	.54
1962	40,872	19,047	1.29	6,986	2,428	.97	33,886	22,302	9,939	1.24	67,398	10,032	.41
1963	35,407	15,914	1.25	8,946	3,975	1.23	26,461	34,937	12,584	1.00	47,866	7,789	.45
1964	19,475	8,597	1.23	16,974	9,090	1.49	2,501	36,865	15,001	1.13	7,354	2,215	.84
1965	23,807	11,604	1.35	34,146	17,397	1.42	-10,339	56,920	28,730	1.40	12,359	3,410	.77
1966	32,096	11,500	1.00	49,348	20,650	1.16	-17,252	62,223	31,833	1.42	107,791	50,803	1.31
1967	59,414	21,312	1.00	9,356	2,824	.84	50,058	59,578	30,874	1.44	223,580	110,869	1.38
1968	101,417	38,467	1.05	24,802	7,342	.82	76,615	66,956	37,036	1.54	279,987	170,500	1.69
1969	179,060	83,656	1.30	7,548	3,538	1.30	171,512	66,839	29,662	1.23	403,800	148,439	1.02
1970	159,684	79,601	1.38	94,184	41,376	1.22	65,500	235,897	135,130	1.59	713,973	234,863	.91
1971	151,451	73,014	1.37	128,325	53,922	1.20	23,126	206,633	104,438	1.44	1,144,761	330,301	.82

* Not available; also, no reported exports of corned beef.

Source: Japan Exports and Imports, Ministry of Finance.

Table 16.—Imports of eggs, n.e.s.,* from selected countries, Japan, 1969, and monthly, 1970-72

Year and month	Total			Australia			United Kingdom			South Africa			New Zealand		
	Quantity	Value	:c.i.f. \$/kg	Quantity	Value	:c.i.f. \$/kg	Quantity	Value	:c.i.f. \$/kg	Quantity	Value	:c.i.f. \$/kg	Quantity	Value	:c.i.f. \$/kg
	Kg	1,000 yen	1,000 yen	Kg	1,000 yen	Kg	Kg	1,000 yen	Kg	Kg	1,000 yen	Kg	1,000 yen	Kg	1,000 yen
1969	22,528,139	3,540,834	.44	9,505,527	1,480,898	.43	5,724,661	1,011,404	.49	3,802,238	534,336	.39	1,801,148	245,447	.38
1970															
January	2,297,475	382,189	.46	1,035,003	184,015	.49	339,873	64,678	.53	609,294	88,031	.40	80,010	11,267	.39
February	2,307,745	342,642	.41	1,150,011	164,787	.40	403,702	67,805	.47	553,737	81,253	.41	70,002	9,593	.38
March	2,353,008	367,911	.43	1,723,217	269,541	.43	214,539	38,124	.49	214,124	31,070	.40	177,011	24,903	.39
April	1,652,115	262,350	.44	1,307,289	201,640	.43	121,836	27,823	.63	193,048	28,527	.41	0	0	0
May	1,650,265	250,524	.42	996,585	150,602	.42	167,651	28,379	.47	386,080	57,219	.41	99,949	14,324	.40
June	972,421	177,526	.51	542,377	100,184	.51	192,244	41,277	.60	210,320	31,964	.42	0	0	0
July	1,857,015	323,879	.48	1,065,615	179,982	.46	249,729	44,017	.49	30,481	4,526	.41	141,690	20,998	.41
August	2,115,730	358,887	.47	667,430	112,858	.47	383,908	75,619	.55	66,780	9,782	.41	539,814	79,427	.41
September	2,028,834	309,810	.42	1,009,002	159,854	.44	130,051	18,261	.39	0	0	0	497,611	73,754	.41
October	2,752,972	456,369	.46	1,294,481	206,032	.44	101,640	27,695	.76	152,406	22,517	.41	381,851	56,879	.41
November	3,377,441	562,787	.46	1,153,615	187,961	.45	1,030,191	188,662	.51	182,886	26,983	.41	524,927	75,976	.40
December	5,153,751	811,916	.44	1,854,208	293,000	.44	1,006,627	178,102	.49	740,857	109,651	.41	432,633	70,290	.45
Annual	28,518,772	4,607,022	.45	13,798,833	2,208,456	.44	4,341,991	800,468	.51	3,340,013	491,523	.41	2,945,498	437,474	.41
1971															
January	2,355,103	335,484	.40	94,491	13,392	.39	6,210	870	.39	304,811	44,985	.41	559,653	83,317	.41
February	2,670,176	386,119	.40	591,612	85,479	.40	172,651	24,087	.39	193,048	28,613	.41	700,639	104,067	.41
March	2,117,282	298,332	.39	1,226,968	176,222	.40	127,296	17,663	.39	153,118	22,563	.41	19,995	2,857	.40
April	1,644,335	236,110	.40	830,514	117,707	.39	227,416	31,586	.39	116,844	17,278	.41	343,553	51,136	.41
May	1,569,364	224,407	.40	661,371	93,735	.39	144,963	20,088	.38	218,448	32,323	.41	24,990	3,666	.41
June	1,082,657	152,475	.39	595,675	84,379	.39	187,954	25,292	.37	71,123	10,377	.41	20,150	2,885	.40
July	1,066,292	148,097	.39	638,724	50,505	.39	228,481	29,151	.35	30,481	4,448	.41	10,160	1,432	.39
August	1,425,422	201,797	.39	862,871	122,275	.39	142,372	18,513	.36	0	0	0	90,790	12,525	.38
September	1,348,836	182,055	.39	953,734	131,864	.40	253,539	30,328	.35	0	0	0	20,321	2,705	.38
October	1,420,998	193,826	.41	797,605	110,076	.41	40,641	4,673	.34	101,600	13,885	.41	20,308	2,693	.40
November	1,735,631	230,849	.40	836,667	110,846	.40	50,802	6,374	.39	284,484	38,793	.41	81,280	10,364	.39
December	3,330,793	444,981	.42	1,683,615	234,732	.44	0	0	0	325,132	41,677	.40	171,224	21,649	.40
Annual	21,766,889	3,037,068	.40	9,773,847	1,371,212	.40	1,582,325	211,161	.38	1,799,089	254,942	.40	2,063,063	299,296	.41
1972															
January	2,284,226	285,102	.41	11,938	1,688	.46	1,096,980	135,715	.40	568,798	71,587	.41	0	0	0
February	2,715,015	352,263	.42	1,401,457	188,531	.44	355,614	43,899	.40	444,904	56,023	.41	0	0	0
March	7,732,973	1,014,383	.43	5,120,314	677,090	.43	66,845	846	.40	812,678	101,636	.41	1,005,876	135,609	.44
April	297,794	40,901	.45	167,234	22,167	.43	0	0	0	864	108	.41	876	117	.43
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	124,940	13,787	.36	0	0	0	0	0	0	0	0	0	0	0	0
July	228,000	26,473	.38	0	0	0	0	0	0	0	0	0	0	0	0
August	568,749	60,904	.35	0	0	0	0	0	0	0	0	0	16,000	3,324	.67
September	1,067,598	124,482	.39	381,009	51,157	.44	0	0	0	232,377	26,914	.38	0	0	0

*Excludes shell eggs, powdered and hatching eggs; reportedly these values are primarily frozen whole eggs.

Source: Japan Exports and Imports, Ministry of Finance.

Pork

Pork imports are no longer restricted by quota. Pork became a liberalized or automatic approval item in October 1971. In reality, however, a variable import levy system, put into effect in April 1971, is only a substitute for the quota. The Government of Japan can waive the variable levy on a temporary basis when the domestic carcass wholesale price of pork exceeds a pre-established government ceiling price. For instance, from April 15 to July 31, 1972, Japan suspended the variable levy on carcass and primal pork cuts to help dampen further rises in domestic prices due to short domestic supplies. Thus, the Japanese Government allowed pork imports without a tariff as the domestic carcass wholesale price of pork exceeded the government established ceiling price.

Until Vietnam is able to eradicate foot and mouth disease, fresh, chilled, or frozen pork and internal organs of pigs from Vietnam will be prohibited by Japan.

Sterilized pork intestines, bladders, and stomachs are not prohibited and may be imported duty free. These products must be processed by a method wherein the central temperature is kept at 63° C for 30 minutes or through artifices producing equally effective sterilizing results. The facilities and method of heating must be approved by the Japanese Ministry of Agriculture and Forestry. The export potential for this product may be limited because of the ample supply from domestic and foreign sources. However, to determine whether Vietnam has any advantage, the potential exporter must determine his production and marketing costs in Vietnam and shipping charges to Japan. Next, he must compare this total to the wholesale price in Japan and c.i.f. prices paid for the same product imported from existing foreign suppliers.

Poultry Meat

Poultry is an automatic approval item not restricted by quota. Dressed poultry exported to Japan is subject to a 20 percent ad valorem tariff of the c.i.f. value.

Japan has no prohibition against dressed poultry meat imports. In order to export to Japan, Vietnamese exporters must first be able to provide a high quality product, since the Japanese are extremely quality conscious. Next, the Japanese market is extremely price competitive; therefore, Vietnam must be able to offer poultry meat products at prices comparable to those of current suppliers. In order to enter the Japanese market, it may be necessary to offer c.&f. prices somewhat lower than those of current major suppliers.

To determine whether Vietnam has a potential of exporting dressed poultry, one must compare the total production and marketing costs in Vietnam plus shipping charges to Japan with the price paid for the same product imported from existing foreign suppliers. However, at current wholesale prices for live poultry in Vietnam, there is doubt whether dressed poultry meat may be profitably exported in the near future, unless subsidized.

Two additional factors should be noted. Imported fowl, or mature hens, apparently minor portions of poultry imports, are used for processing purposes, and the c.&f. price offers received by Japanese trading companies are \$0.10 to \$0.15 per pound lower than c.&f. prices of grillers or fryers. Although dressed poultry meat is currently being imported, Japan expects to satisfy future domestic poultry meat requirements through domestic production. Thus, long-term prospects of exporting dressed poultry meat to Japan may be limited.

The Japanese consume only small quantities of duck. Consequently, there is no apparent export potential for Vietnam.

Eggs

Eggs are not restricted by quota, but are subject to a 60 yen per kg or 25 percent ad valorem tariff, whichever is greater. Frozen whole eggs are generally packaged in a carton containing two 10 kg tins. Given the c.i.f. values reported earlier, export of frozen whole eggs from Vietnam would not be profitable, unless subsidized.

Processed and Canned Meat

Prepared or preserved meat and meat offal (except intestines, bladders, and stomachs of animals, and sausages and meat extracts) are non-liberalized items. Thus, canned beef, pork, and poultry are restricted by quota. These products are also subject to a 25 percent ad valorem tariff when exported to Japan. On the other hand, sausage, ham, and bacon, and intestines, bladders and stomachs of animals simply boiled in water are all liberalized items and, therefore, not subject to quota. Ham and bacon exported to Japan are subject to a 25 percent tariff on the c.i.f. value, while intestines, bladders, and stomachs of animals boiled in water are duty free. The import tariff on sausage was not determined.

Ham, bacon, and sausages from Vietnam are prohibited, due to foot and mouth disease. Therefore, there is no export potential until this prohibition is lifted.

Canned meat is restricted by quota and there is a limited market. Japan produces limited quantities of canned poultry and pork, and there were no reported imports.

SPECIALTY PRODUCTS

Specialty products included in this section are tea, coffee, spices, strawberries, bamboo shoots and sprouts, mushrooms, tropical fruits, coconuts, other tree nuts, and cut flowers and flowering plants. Of these items, only tea, mushrooms, strawberries, and flowers and flowering plants are produced in Japan. Because of the relatively minor importance of these individual commodities, production and consumption data are not available. Available data on import value and principal suppliers for the years 1969-1971 and for the first 6 months of 1972 are shown in the following discussion of individual products.

There is a potential market in Japan for nearly all of the specialty products Vietnam produces, or can produce, with the exception of cut flowers and flowering plants and related items. The quality and prices of ornamentals produced in Japan forestalls any sizeable importation, at least within the next few years. The potential market for the other items, however--especially tea and spices--depends on a number of economic and technological factors. These factors include, but are not limited to, the costs of production in Vietnam, the quality of product Vietnam can produce, seasonality of production, freight rates and frequency of service, the competitive position of Vietnam vis-a-vis agricultural countries wanting to export to Japan, and the potential profitability of handling Vietnam products (as envisioned by the Japanese trading companies that are the importing agents). Considerable Japanese capital has been invested in the production of tea and pineapples in Taiwan and the Philippines. In the late 1950's and early 1960's, Japanese were involved in agricultural production in South Vietnam.

One of the more knowledgeable respondents to this survey pointed out the current trend is to ship partially processed bulk products (canned, frozen, brined) into Japan where they are further processed and packaged for retail and institutional distribution. He expects this trend to intensify in the future to escape higher freight rates, tariffs, and other taxes on fully processed products. He indicated, further, that Vietnam's competitive position will depend on the services and transportation facilities that will be available. Currently a boat can make the trip from Taiwan to Japan in 2 to 4 days. At least a week is required for the trip from Vietnam under favorable conditions.

Because of the diverse nature of the commodities included among specialty crops, each commodity or group of related commodities will be treated separately.

SPICES

Market potential is good in Japan for a number of spices which Vietnam produces. Among these items are black, white, and red pepper, cinnamon, dried ginger, brined ginger, and nutmeg. Vietnam produces a premium type of cinnamon and Japanese traders have experience with this product. They are anxious to resume trade in cinnamon.

Nearly all of the cinnamon is currently imported from People's Republic of China, Taiwan, and North Vietnam, with People's Republic of China being by far the largest supplier (table 17). Unprocessed cinnamon from People's Republic of China is received in bulk bamboo cases or bundles weighing 112 pounds each, 20 bundles to a metric ton.

Between 1964 and 1971, imports of unground black pepper (Piper nigrum L.) nearly tripled from 1,031 metric tons to 2,951 metric tons (table 18). However, the value of imports increased only about 55 percent, showing wide fluctuations from year to year. Malaysia, principally Sarawak, is a major supplier, followed by Indonesia and India. Singapore, which is active in re-exporting Sarawak pepper, has lost importance as a supplier to the Japanese market.

In addition to the unground pepper, Japan also imports pepper packaged for retail sale, primarily from the United States (table 19). In some years, retail packages of black pepper have been imported from Malagasy Republic, India, and France.

In Japan, white pepper is used more than black, and is a major spice used in the rapidly growing food processing industry. Official data are not available for white pepper since both black and white pepper can be obtained from unground pepper corns.

Large quantities of dried, unground ginger are imported into Japan, where it is ground for sale to retail or institutional outlets. In 1971, 611 metric tons of ginger were imported, primarily from Taiwan and People's Republic of China (table 20). Smaller quantities are imported from India, Nigeria, and Thailand. The average value of unground ginger imported into Japan in 1971 was nearly \$750 per metric ton. In addition, some ground ginger is imported, primarily from Taiwan, the United States, and Indonesia (table 21).

Ginger preserved in brine or other preservatives was also imported into Japan in 1970 and 1971, but was not reported in 1969 or 1972 (table 22). Minor shipments were obtained in 1971 from People's Republic of China and the Fiji Islands.

The Japanese have no experience with Vietnam nutmeg. However, they prefer the round type which is produced in Vietnam and apparently would be willing to try it. At the present time, Indonesia is their major supplier of nutmeg (table 23). Other suppliers are Singapore, Sarawak, Malaya, and Papua.

Other raw spices, such as cloves, mace, and cardamon, are imported from Malagasy Republic, India, and Indonesia (tables 24-27). India is reported to produce the best cardamon. The United States is a major supplier of ground or otherwise processed spices of all kinds in the Japanese markets. Some of the larger U.S. firms process spices and ship in bulk containers to Japan where they are packed in retail and institutional packages.

Table 17.--Quantity and value of cinnamon imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars
P. R. of China	1,119	324,522	901,198	960	321,207	891,992	806	252,967	721,166	501	186,978	607,071
Taiwan	94	10,311	28,634	54	6,933	19,253	102	12,301	35,978	32	3,740	12,143
N. Vietnam	106	37,774	104,898	173	61,580	171,007	196	69,430	196,824	72	31,748	103,078
All other	12	11,981	33,271	24	6,907	19,181	11	4,462	12,587	4	2,309	7,497
Total	1,331	384,588	1,068,001	1,211	396,627	1,101,433	1,115	339,160	966,555	609	224,775	729,789

Table 18.--Quantity and value of pepper seed¹/imports into Japan, by country of origin,
1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars
Indonesia	454	109,307	303,546	223	67,920	188,614	---	922,478	2,665,156	122	36,823	119,555
Sarawak	1,738	465,441	1,292,530	1,941	638,564	1,773,292	2,859	21,525	59,775	1,228	384,081	1,247,015
Singapore	20	4,548	12,630	24	7,966	22,122	65	8,031	22,769	13	4,308	13,987
India	67	8,506	23,621	8	3,875	10,761	22	2,337	7,275	11	3,962	12,864
All other 2/	78	19,671	54,626	76	27,468	76,278	5	7,275	3/	741	2,406	
Total	2,357	607,473	1,686,953	2,272	745,793	2,071,067	2,951	954,371	2,754,975	1,374	429,915	1,395,827

¹/ Seed of Piper nigrum L. unground, other than put up for sale by retail.

²/ Includes Taiwan and Malaya.

³/ Less than one-half metric ton.

Table 19.--Quantity and value of pepper^{1/} imports into Japan, by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972 (6 mos.)
	Volume	Value	Volume	Value
Kilo-grams	1,000 yen	Dollars	Kilo-grams	1,000 yen
U.S.A.	4,368	4,527	12,571	5,529
Malagasy Rep.	---	---	4,602	15,354
India	---	---	1,334	3,321
France	---	---	---	---
Total	4,368	4,527	12,571	5,936
			6,725	18,675
			5,304	7,119
			20,271	4,416
				4,577
				14,860

1/ *Piper nigrum L.* put up for sale by retail.

Table 20.--Quantity and value of unground ginger^{1/} imports into Japan, by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972 (6 mos.)
	Volume	Value	Volume	Value
Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen
P. R. of China	225	42,772	118,778	28,092
Taiwan	14	4,113	11,422	283
India	23	8,686	24,121	---
Nigeria	133	34,976	97,128	---
Thailand	2	541	1,502	5
Indonesia	13	2,648	7,553	12
All other 2/	18	5,434	15,093	4
Total	4,28	99,170	275,395	417
			110,718	307,464
			611	161,160
				453,072
				n.a.
				n.a.

1/ Other than put up for sale by retail, not elsewhere specified.

2/ Includes Korea, Pakistan, and Ryukyu Islands.
n.a. --not available.

Table 21.--Quantity and value of ground ginger ^{1/} imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Kilo- grams	1,000	Dollars	Kilo- grams	1,000	Dollars	Kilo- grams	1,000	Dollars	Kilo- grams	1,000	Dollars	1,000
yen		yen	yen		yen	yen		yen	yen		yen	yen
Taiwan	500	126	350	16,500	2,789	7,745	5,500	1,265	3,807	n.a.	n.a.	n.a.
U.S.A.	---	---	---	691	933	2,591	407	606	1,793	n.a.	n.a.	n.a.
Indonesia	---	---	---	551	456	1,266	---	---	---	n.a.	n.a.	n.a.
Total	500	126	350	17,742	4,178	11,602	5,907	1,871	5,600	n.a.	n.a.	n.a.

^{1/} Other than put up for sale by retail, not elsewhere specified.
n.a. --not available.

Table 22.--Quantity and value of preserved ginger ^{1/} imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Kilo- grams	1,000	Dollars	Kilo- grams	1,000	Dollars	Kilo- grams	1,000	Dollars	Kilo- grams	1,000	Dollars	1,000
yen			yen		yen	yen		yen	yen		yen	yen
Taiwan	---	---	22,221,615	1,448,229	4,021,732	20,576,895	1,296,816	3,806,691	n.a.	n.a.	n.a.	n.a.
All other 2/	---	---	126,447	9,050	25,132	---	---	---	n.a.	n.a.	n.a.	n.a.
Total	---	---	22,348,062	1,457,279	4,046,864	20,576,895	1,296,816	3,806,691	n.a.	n.a.	n.a.	n.a.

^{1/} Provisionally preserved in brine, in sulphur water, or in other preservative solutions.

^{2/} Includes People's Republic of China and Fiji Islands.
n.a. --not available.

Table 23.—Quantity and value of nutmeg ^{1/} imported by Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972 (6 mos.)								
	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars
Indonesia	129,706	42,256	117,345	243,097	88,066	244,559	278,646	91,572	262,752	130,390	34,924	113,389
Singapore	11,176	5,486	15,234	10,160	3,552	9,864	25,908	9,629	27,088	3,048	1,015	3,296
Sarawak	11,887	4,756	13,207	6,096	2,776	7,709	16,992	6,369	17,965	6,500	2,124	6,896
Malaya	3,048	782	2,172	---	---	---	1,524	378	1,050	---	---	---
Papua	7,112	1,916	5,321	3,048	725	2,013	---	---	---	---	---	---
Total	162,929	55,196	153,279	262,401	95,119	264,145	323,070	107,948	308,855	139,938	38,063	123,581

^{1/} Unground, other than put up for sale by retail.

Table 24.—Quantity and value of unground cloves ^{1/} imported by Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972 (6 mos.)								
	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars
Malagasy Rep.	15,000	18,814	52,247	33,059	52,695	146,334	157,056	173,286	489,425	54,382	54,323	176,373
Tanzania	44,196	62,504	173,574	82,541	117,119	325,239	38,180	52,174	140,309	12,192	16,073	52,185
Malaya	2,621	1,029	2,858	4,081	1,952	5,421	10,096	5,745	14,707	4,387	2,323	7,542
Ceylon (Sri Lanka)	16,224	18,967	52,672	12,156	4,977	13,821	5,080	2,318	6,437	---	---	---
Indonesia	44,330	58,886	163,527	56,840	88,110	244,681	3,360	2,761	7,667	3,620	2,777	9,016
All other 2/	4,216	5,771	16,026	2,535	3,602	10,003	5,088	6,563	18,225	8,032	8,603	27,932
Total	126,587	165,871	460,624	191,212	268,455	745,499	218,860	242,847	676,770	82,613	84,099	273,048

^{1/} Other than put up for sale by retail.

^{2/} Includes People's Republic of China, Singapore, and Zambia.

Table 25.--Quantity and value of whole cloves^{1/} imported by Japan,
1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972(6 mos.)
	Volume : Value	Volume : Value	Volume : Value	Volume : Value
	Kilo- grams	Kilo- grams	Kilo- grams	Kilo- grams
U.S.A.	---	---	29	89
			247	61
			256	742
			89	89
			267	741

1/ Put up for sale by retail.

Table 26.--Quantity and value of ground cloves^{1/} imported by Japan,
1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972(6 mos.)
	Volume : Value	Volume : Value	Volume : Value	Volume : Value
	Kilo- grams	Kilo- grams	Kilo- grams	Kilo- grams
U.S.A.	---	---	317	749
			2,080	407
			2,552	---
			---	---

1/ Other than put up for sale by retail.

Table 27.--Quantity and value of mace and cardamom^{1/}, imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
	Kilo- grams	1,000 yen	Dollars									
India	42,964	104,787	290,994	67,151	232,489	645,622	101,269	179,155	508,130	41,690	47,131	153,023
Indonesia	25,407	15,865	44,057	22,167	13,097	36,370	23,248	10,863	30,329	12,668	5,760	18,701
Singapore	5,060	3,513	9,756	4,803	7,536	20,928	9,632	5,476	15,741	3,048	1,523	4,945
Tanzania	18,821	34,645	96,209	25,071	52,351	145,379	5,000	8,506	24,025	---	---	---
Ceylon 2/ All other 3/	11,903	30,654	85,126	11,381	37,933	105,340	---	---	---	---	---	---
Total	110,264	194,817	541,007	142,435	356,329	989,526	140,785	204,685	580,220	59,172	55,346	176,695

1/ Unground or unmixed, other than put up for sale by retail.

2/ Now Sri Lanka.

3/ Includes Thailand, Papua, Malaya, Sarawak, Australia, and Guatemala.

Table 28.--Quantity and value of green tea imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
	Kilo- grams	1,000 yen	Dollars									
Taiwan	6,696	1,513,760	4,203,711	8,763	2,039,167	5,662,767	6,076	1,496,341	4,229,127	4,091	1,554,034	5,045,482
Brazil	---	---	---	35	11,535	32,033	209	81,339	231,190	152	52,023	168,903
India	38	16,396	45,532	118	43,282	120,194	148	66,621	195,747	66	31,841	103,378
Ryukyu Is.	60	20,416	56,695	74	30,812	85,565	47	19,534	54,973	15	4,202	13,643
All other 1/:	2/	221	614	73	29,667	82,385	16	4,327	12,098	6	3,973	12,899
Total	6,794	1,550,793	4,306,552	9,063	2,154,463	5,982,944	6,496	1,668,162	4,723,135	4,330	1,646,073	5,344,035

1/Includes People's Republic of China, Indonesia, and Ceylon.

2/Less than one-half metric ton.

TEA

Since June 1971, when tea imports were liberalized, competition for the Japanese tea market has been brisk. Traditionally, Japanese consumers have preferred green tea. Japan is nearly self-sufficient in its production, producing approximately 90 thousand metric tons per year. Additional quantities are imported from Taiwan, where the Japanese have invested heavily to obtain exactly the grade and type of tea they prefer. Other quantities are imported from People's Republic of China, Brazil, and India (table 28).

As Japan has become more westernized, increasing quantities of black tea have been consumed. Consumption, which amounted to 2,360 metric tons in 1963, tripled to 6,500 metric tons in 1971. In 1971, 40 percent of the imports of black tea originated in Ceylon, 30 percent in England, 20 percent in India, and 10 percent in Indonesia. Japan does not produce black tea (tables 29-31).

In 1971, South Vietnam exported approximately 108 metric tons of tea at an average c.i.f. price of 54 cents per kg. An official of the Mitsui Agriculture and Forestry Co., Ltd., reported that tea prices are highly variable due to changing supplies. Prices for Ceylon tea in Japan ranged from 50 to 80 cents per kg (c.i.f.), with an upper limit of \$1.00 per kg. Vietnamese tea of good quality would be competitive if it could be landed in Japan at 50-60 cents per kg.

In addition to Mitsui Agriculture and Forestry Company, Ltd., which has about 35 percent of the tea market, other major distributors are Lipton (40 percent), Brooke Bond, and Meiji Seika Kaisha, Ltd.

COFFEE

Japan's coffee consumption in 1971 totaled 27 thousand metric tons of regular coffee and 15 thousand metric tons of instant coffee. Increasing coffee consumption parallels the westernization of Japanese consumers. Consumption of instant coffee in 1971 was 22 percent greater than in 1970.

Nearly 68.5 million kg of coffee beans were imported in 1971. Robusta and Arabica coffees are not separated in import statistics. Arabicas are premium coffees grown at high elevations; Robusta coffees are cheaper and are used for blending. Major suppliers were Brazil, the Ivory Coast of Africa, Uganda, Colombia, and Kenya. In addition, nearly 2.7 million kg of instant coffee were imported from New Zealand, Spain, West Germany, and several other countries. In the Not Elsewhere Specified (n.e.s.) category, 71,809 kg were imported in 1971, mostly from the United States (tables 32-35).

World prices and trade in coffee are regulated by the International Coffee Organization (I.C.O.). Vietnam is not a member of this organization, but Japan could purchase coffee from Vietnam because it is classified as a "New Market" and is exempt from I.C.O. regulations.

Since coffee is a relatively new product in Japan, there are no large Japanese distributors. The major brands are Nescafe and Maxwell, well-known U.S.

brands. However, several Japanese companies are interested in entering the coffee market, either as franchised agents of U.S. firms or on their own.

One of these, Ueshima Coffee Company, Ltd., has imported Robusta coffee from Laos. The quality of this coffee was comparable to that received from Uganda and the Ivory Coast. Coffee has also been imported from North Vietnam. However, this coffee was rain damaged. Also, due to the war, prices for North Vietnamese coffee were much higher than prices from Uganda or the Ivory Coast. In 1970-71, a bumper year, the f.o.b. price for coffee beans from Uganda was 20 cents per pound.

The Ueshima Coffee Company, Ltd. received a sample of coffee from South Vietnam several years ago. The sample was fermented and contained many cracked and broken beans. Our respondent stated South Vietnam should take greater care to improve the quality of its coffee. Before drying, the coffee beans should be cleaned, and the outside coating removed. If this is allowed to remain on the bean, it cracks and emits an unpleasant odor when drying.

If Vietnamese producers can meet the quality and quantity specifications of the Japanese and are interested in Japan as a market for their coffee, they should send samples to firms with coffee processing facilities and headquarters near Kobe.

BAMBOO SHOOTS AND SPROUTS

Bamboo sprouts are imported into Japan in a dried or dehydrated form. In 1971, more than 3 million kg were imported, mostly from Taiwan (table 36). Quantities were also obtained from People's Republic of China and Thailand. Bamboo shoots in brine are imported in 5-gallon cans or No. 1 tins or U.S. No. 10 cans (six tins per carton). Taiwan supplies most of the bamboo shoots, but People's Republic of China is also a major supplier (table 37).

The larger importers of these bamboo shoots in Japan have their own insurance companies, therefore prices quoted are cost and freight; insurance is omitted. The 1971 average price range for a 5-gallon tin (11 kg) of bamboo shoots was \$2.80-\$2.90, but there was considerable fluctuation around this price. Cartons of six No. 1 tins were landed in Japan at U.S. \$4.00 per carton.

MUSHROOMS

Japan is a net exporter of mushrooms, which are produced in both Japan and Taiwan. Trade sources did not indicate a favorable market for mushrooms imports, but, due to worldwide increase in the consumption of mushrooms, one respondent inquired whether mushrooms were produced in Vietnam. The 1972 price for frozen sliced mushrooms in Japan was 75 cents per kg, expected to increase to 82 cents per kg in 1973. The respondent was not familiar with the "straw" mushrooms produced in Vietnam, nor did he have information on packages or shipping containers.

TROPICAL FRUIT, AVOCADOS, PERSIMMONS, AND MELONS

These items may not be imported into Japan from Vietnam at the present time because Vietnam is in a prohibited district for plant pests such as the mango fly (Chaetodacus ferrugineus Fabr.), the melon fly (Chaetodacus cucurbitae coq.), and the sweetpotato weevil (Cylas formecarius Fabr.). Several years of successful control of these insects would be required before Vietnam could obtain a clean "bill-of-health" for these items. If such a time comes, however, some of the smaller trading companies would be interested in attempting to bring Vietnamese fruit into the Japanese market.

Fresh and dried avocados and persimmons are imported into Japan. The United States and Mexico are the major suppliers of fresh avocados. Taiwan and People's Republic of China are major suppliers of dried avocados and persimmons.

During the survey of the Tokyo market in October 1972, cantaloupe of superb quality were being sold at retail for an equivalent of approximately U.S. \$1.00 each, depending on size. Fresh persimmons were also widely displayed in retail markets and were being sold at high prices. These were grown locally and were beautifully packaged and merchandised. Even if restrictions were lifted, it would be extremely difficult to deliver comparable fruit from Vietnam to Japan at competitive prices.

If South Vietnam could develop a viable canning industry there might be a limited market for canned tropical fruits, fruit juices, and purees in Japan. There is an increase in demand for processed items in Japan. However, information was not obtained concerning specific tropical fruit processed products.

STRAWBERRIES

Japan is nearly self-sufficient in the production of fresh strawberries. Additional supplies are obtained from Taiwan where the production is geared to the Japanese market. There is a very short, 1-2 week market period for prime strawberries, however, around January 1. These are currently flown in from the United States, New Zealand, and Mexico (table 38). Prospects for marketing partially processed strawberries are much better. These may be canned or frozen and are further processed into preserves and toppings in Japan. Data on processed strawberries were not available.

PINEAPPLE

There has been a very rapid and large increase in the amount of pineapple imported into Japan as fresh fruit. Until 1965, fresh pineapples were luxury items, imported from Hawaii, and sold at retail for U.S. \$1.50-\$1.75 each. In 1965, the Japanese began importing pineapples from Taiwan. Because of the closeness of Taiwan to Japan, this business expanded rapidly as Japanese trading companies rushed to invest in and develop this business.

Total imports rose from nearly 24 thousand metric tons in 1969 to over 44 thousand metric tons in 1971. Nearly all came from Taiwan (table 39). The Philippines are becoming a more important supplier of fresh pineapples, as an increasing amount of Japanese money is invested in Philippine agricultural industries. Hawaii is a very minor supplier of fresh pineapple now. Tomei Fruit Company reported that import prices of fresh pineapple from Taiwan were about U.S. \$2.00 per carton of six in 1971. Average annual import prices shown in table 39 are somewhat lower.

Prices for frozen pineapple (10 kg per carton) were:

No. 1 Grade whole slices	U.S. \$0.38-0.40 per kg
Tidbits	" 0.27-0.30 " "
Pieces	" 0.20-0.26 " "
Crushed	" 0.18 or less "

Prices in 1973 are expected to rise to U.S. \$0.42 per kg for No. 1 slices, due to recent rises in ocean freight rates. Trade statistics are not available on frozen pineapples, but respondents indicated that approximately 5 thousand metric tons were imported for reprocessing and institutional uses.

A respondent from the Ministry of Agriculture reported that approximately 3 million cases of canned pineapple were imported into Japan each year. These are packed in cases of 24/No. 3 cans. He reported that No. 3 cans weigh approximately 600 grams.

The Japanese are very particular about this can size. The Thailand pineapple has a core which is too long. Malay Peninsula pineapples are too small. Pineapples from Sumatra are the right size for canning in the No. 3 can.

Canned pineapple has been under import restrictions, but these are expected to be liberalized in the next few years. Restrictions might be raised from 3 million to 5 million cases per year.

However, in view of the proximity of Taiwan and the Philippines to Japan, and the vested Japanese interests in those agricultural ventures, competition among pineapple suppliers is very keen. As one respondent put it, there are many firms competing for the Japanese market.

CUT FLOWERS AND FLOWERING PLANTS

The Japanese are noted as superb horticulturists. This is fully confirmed in their wholesale and retail flower markets. Flowers are wholesaled through auctions located throughout Japan. Prices for outstanding quality are very reasonable. Low prices persist in retail florists' shops. There appears to be no prospect for shipping flowers from Vietnam to Japan, except possibly very expensive flowers such as orchids. Orchids from Hawaii, Shanghai, and Hong Kong enter Japan, but mostly as gifts from, or to, tourists visiting those areas.

Table 29.--Quantity and value of black tea ^{1/} imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Value	Value
Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons
Ceylon (Sri Lanka)	386	216,359	600,829	3,567	1,967,465	5,463,650	3,867	2,146,372	6,154,844	1,162	610,769	1,983,014
United Kingdom	257	200,594	557,050	1,857	1,626,534	4,516,885	2,142	1,869,070	5,358,229	911	782,802	2,541,562
India	67	34,310	95,279	892	473,585	1,315,146	1,345	853,968	2,442,048	519	284,996	925,311
Kenya	---	---	---	5	1,839	5,107	38	17,461	51,708	47	16,862	54,747
Taiwan	3/	352	978	75	24,509	68,061	30	19,670	54,681	5	1,726	5,604
P. R. of China	---	---	---	---	---	---	25	20,117	58,135	16	13,027	42,295
Indonesia	---	---	---	---	---	---	26	6,546	18,178	8	2,342	7,604
All other	---	---	8	3,258	9,047	12	4,652	13,584	15	6,610	21,461	
Total	711	451,615	1,254,135	6,404	4,097,190	11,377,897	7,485	4,937,856	14,151,407	2,683	1,719,134	5,581,598

^{1/} Other than in retail containers.

^{2/} All other includes Zaire, Malaya, Uganda, Tanzania, Hong Kong, and Territory of New Guinea.

^{3/} Less than one-half metric ton.

Table 30.—Quantity and value of black tea imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars
United Kingdom	5	6,875	19,092	12	15,496	43,032	12	19,262	59,471	6	8,997	29,211
Ceylon (Sri Lanka)	1	735	2,041	15	9,786	27,176	9	7,130	20,703	4	3,537	11,484
P. R. of China	—	—	—	—	—	—	4	2,017	6,236	2	1,252	4,065
India	2/	314	872	2/	422	1,172	1	1,106	3,331	2/	555	1,802
U.S.A.	2/	350	972	2/	749	2,080	—	—	—	1	824	2,675
Taiwan	—	—	—	4	1,391	3,863	—	—	—	—	—	—
Total	6	8,274	22,977	31	27,844	77,323	26	29,515	89,741	13	15,165	49,237

1/ In retail containers.

2/ Less than one-half metric ton.

Table 31.—Quantity and value of tea, n.e.s., 1/ imported into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars
P. R. of China	21,732	14,101	39,158	27,487	17,041	47,323	85,217	31,539	91,400	46,094	23,017	74,730
Taiwan	19,529	2,616	7,265	20,514	12,428	34,513	15,606	13,111	38,818	25,640	13,032	42,312
United Kingdom	4,010	4,820	13,385	5,049	6,520	18,106	8,920	12,198	35,605	4,462	6,086	19,760
All other	1,407	1,596	4,432	1,195	1,202	3,337	2,017	1,857	5,246	9,610	17,667	57,360
Total	46,678	23,133	64,240	54,245	37,191	103,279	111,760	58,205	171,069	85,806	59,802	194,162

1/ n.e.s.—not elsewhere specified.

Table 32.--Quantity and value of coffee beans ^{1/} imported into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin:	1969			1970			1971			1972 (6 mos.)		
	Volume:	Value:	Value:	Volume:	Value:	Value:	Volume:	Value:	Value:	Volume:	Value:	Value:
:Metric : tons	1,000 : yen			Metric tons	1,000 yen		Metric tons	1,000 yen		Metric tons	1,000 yen	
Brazil	24,544	4,578,724	12,715,116	31,717	7,651,132	21,247,194	17,418	3,409,338	9,706,875	11,437	2,384,959	7,743,365
Uganda	2,403	370,098	1,027,762	11,475	1,516,952	4,212,576	13,790	1,885,912	5,392,490	3,134	394,497	1,280,833
Ivory Coast	10,503	1,718,102	4,771,169	11,841	1,790,572	4,972,418	13,598	1,964,331	5,608,837	6,143	762,069	2,474,248
Colombia	6,551	2,143,001	5,951,114	7,661	3,377,054	9,378,079	4,832	1,932,550	5,474,732	2,118	743,600	2,414,283
Kenya	539	126,541	351,404	115	38,427	103,935	3,899	1,209,468	3,548,449	1,417	339,226	1,101,382
Cameroon	141	33,980	94,362	2,362	584,823	1,624,053	3,050	827,356	2,407,072	1,687	378,686	1,229,499
Peru	2,629	624,218	1,733,453	4,241	1,218,093	3,382,644	2,930	736,721	2,121,198	651	129,374	420,045
Ethiopia	2,948	903,891	2,510,105	1,778	728,231	2,022,297	1,934	738,426	2,090,800	1,545	537,552	1,745,297
Indonesia	1,884	428,202	1,189,117	952	253,481	703,917	1,649	436,266	1,243,703	856	185,445	602,094
Angola	1,027	158,281	439,546	1,258	210,051	583,312	1,210	180,937	535,010	1,360	163,528	530,935
Tanzania	858	180,826	502,154	1,708	480,874	1,335,387	1,073	333,593	949,303	141	33,485	108,717
Guatemala	2,056	533,429	1,481,332	1,629	496,848	1,379,747	1,032	267,343	788,826	2,919	564,777	1,833,690
All other	3,053	4,700,342	13,052,850	4,635	1,772,498	4,925,004	2,033	946,379	2,687,369	2,947	886,791	2,879,188
Total	59,136	12,716,951	35,314,973	81,372	20,119,036	55,870,563	68,448	14,868,620	42,554,664	36,355	7,503,989	24,363,576

^{1/} Unroasted.

Table 33.—Quantity and value of instant coffee ^{1/} imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars
United Kingdom	90,750	275,310	764,536	---	1,051,499	2,920,013	176,012	489,288	1,496,138	68,970	208,695	677,580
Netherlands	106,259	321,161	891,864	353,587	1,966,683	78,000	261,704	726,752	---	---	---	---
France	316,436	959,340	2,664,087	226,340	708,204	1,966,683	527,045	1,458,910	4,129,180	93,972	278,273	903,483
West Germany	551,224	1,623,287	4,507,868	500,779	1,350,962	3,751,621	46,750	156,706	489,706	148,000	496,096	1,610,700
Switzerland	29,277	89,094	247,414	---	575,250	1,743,690	4,842,227	672,425	2,036,480	5,661,120	---	---
Spain	---	---	---	3,163,689	121,937	198,998	552,617	39,504	97,601	297,611	150,950	340,290
U.S.A.	839,461	1,139,247	3,163,689	---	85,606	237,728	28,645	26,971	76,671	22,675	17,065	55,406
Guatemala	53,504	52,811	146,656	86,965	57,231	158,930	65,183	60,757	171,382	35,574	24,208	78,597
El Salvador	51,619	39,387	109,378	57,543	---	29,980	19,326	59,831	---	30,320	30,320	---
Nicaragua	39,916	30,934	85,904	---	102,581	284,868	48,472	38,566	111,939	41,217	30,320	98,441
Brazil	57,057	42,405	117,759	134,725	---	---	92,496	84,218	237,033	---	---	---
Tanzania	---	---	---	912,625	1,199,184	3,330,134	868,750	1,231,811	3,539,712	335,200	475,042	1,552,343
New Zealand	139,975	183,934	510,785	63	198	550	5,378	9,590	26,765	4,819	5,925	19,237
All other 2/	3,175	4,598	12,768	---	---	---	---	---	---	---	---	---
Total	2,278,653	4,761,508	13,222,708	2,969,814	18,045,371	2,678,640	5,971,928	17,023,840	901,377	1,875,914	6,090,624	

1/ Not sugared.

2/ Includes Australia, Belgium, Colombia, Ecuador, Italy, Israel, and Hong Kong.

Table 34.--Quantity and value of coffee extracts 1/ imported into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country :	1969	1970	1971	1972 (6 mos.)
of origin	Volume	Value	Volume	Value
	Kilo- grams	Dollars	Kilo- grams	Dollars
Aus- tralia	3,557	10,651	29,578	---
U.S.A.	2,209	7,565	21,008	---
Brazil	---	---	2,000	3,835
France	160	480	1,333	---
Total	5,926	18,696	51,919	2,000

1/ Includes essences, concentrates, preparations with a basis of these extracts, essences, or concentrates not containing sugar or spirit, n.e.s.

Table 35.--Quantity and value of coffee, n.e.s.,^{1/} imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972 (6 mos.)
	Volume	Value	Volume	Value
	Kilo- grams	1,000 yen	Dollars	Kilo- grams
U.S.A.	74,717	56,458	156,784	38,940
United Kingdom	924	827	2,297	1,470
Belgium	---	---	---	---
Jamaica	---	88	244	1,046
All other 2/	60	57,373	159,325	41,782
Total	75,701	57,373	159,325	41,782

1/ n.e.s.--not elsewhere specified.

2/ Includes India, West Germany, Italy, Brazil, and Australia.

Table 36.--Quantity and value of bamboo sprout ^{1/}imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972 (6 mos.)
	Volume	Value	Volume	Value
	Metric tons	1,000 yen	Dollars	Metric tons
P. R. of China	1,126	284,814	790,928	667
Taiwan	1,996	989,625	2,748,189	2,141
Thailand	---	---	---	3
Total	3,122	1,274,439	3,539,117	2,810

1/ Dried or dehydrated.

Table 37.--Quantity and value of bamboo shoots $\frac{1}{4}$ / imported into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars	Metric tons	1,000 yen	Dollars
P. R. of China	556	57,047	158,420	258	29,899	83,030	83	33,919	96,300	191	21,620	70,195
Taiwan	13,306	1,345,047	3,735,195	12,761	1,296,453	3,600,250	3,600	1,321,556	3,844,302	4,386	353,786	1,148,655
Thailand	---	---	---	---	---	---	---	4,363	12,116	28	1,670	5,422
U.S.A.	---	---	---	1	231	641	1	---	---	---	---	---
Total	13,862	1,402,094	3,893,615	13,020	1,326,583	3,683,921	3,684	1,359,838	3,952,718	4,605	377,076	1,224,272

$\frac{1}{4}$ / Prepared or preserved, not sugared.

Table 38.--Quantity and value of strawberries 1/ imported into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969	1970	1971	1972 (6 mos.)
	Volume	Value	Volume	Value
	Dollars	Kilo- grams	Dollars	Kilo- grams
	1,000 yen	1,000 yen	1,000 yen	1,000 yen
U.S.A.	---	---	---	4,836
New Zealand	5,258	4,767	13,238	2,318
Mexico	---	---	---	---
Total	5,258	4,767	13,238	2,318

1/ Strawberries and other berries, fresh.

Table 39.—Quantity and value of fresh pineapple imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Metric tons	1,000 yen	Dollars									
Taiwan	20,115	1,072,379	2,977,996	32,541	1,752,406	4,866,431	39,622	2,081,514	5,834,842	35,268	1,529,079	4,964,537
Philippines	2,650	169,610	471,007	2,605	191,398	531,512	4,654	360,789	1,036,731	4,372	274,861	892,405
U.S.A.	268	25,906	71,941	220	25,615	71,133	41	8,518	23,928	31	5,860	19,026
Ryukyu Is.	616	41,229	114,493	244	16,863	46,829	72	5,286	15,557	1	92	299
Thailand	---	---	---	---	---	---	---	---	---	---	1/	79
Mongolia	---	---	---	---	---	---	1	619	1,752	196	13,102	42,539
Total	23,648	1,309,124	3,635,437	35,610	1,986,282	5,515,905	44,390	2,456,726	6,912,810	39,868	1,823,073	5,919,062

MISCELLANEOUS PRODUCTS

There are a number of other relatively minor agricultural products imported into Japan which are, or can be, produced in Vietnam. Among these items are sesame seeds, coconuts, and cashew nuts.

Japan imports 40-50 metric tons of sesame seeds each year, mostly from the Sudan and Ethiopia, but North Vietnam is listed as a supplier among the "Other" countries (table 40).

In 1971, 2,202 metric tons of coconuts were imported by Japan. The Philippines supplied the largest share, but quantities were also received from Ceylon, Malaya, and Singapore (table 41). Japanese were interested in coconut plantations in South Vietnam in the 1950's. Data were not obtained on packages or prices for coconuts.

Cashew nuts grow profusely in Vietnam, but have not been cultivated on a commercial basis. Imports of cashew nuts into Japan have increased rapidly since the mid 1960's, and it appears that cashew nuts will gain the same popularity in Japan that they have in the United States (table 42). At the present time, India and Mozambique virtually control the world trade in cashew nuts. Data were not obtained on packages or prices for cashew nuts.

Table 40.--Quantity and value of sesame seed ^{1/} imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Volume:	Value:	Value:	Volume:	Value:	Value:	Volume:	Value:	Value:	Volume:	Value:	Value:
Metric tons				Metric tons			Metric tons			Metric tons		
yen				yen			yen			yen		
Ethiopia	8	658,842	1,829,604	13	1,241,508	3,447,668	13	1,366,662	3,784,490	10	928,343	3,014,098
Sudan	14	1,137,668	3,159,304	16	1,376,542	3,822,657	15	1,467,958	4,215,743	11	1,074,720	3,489,347
Thailand	2	224,844	624,392	3	324,516	901,181	4	376,218	1,070,714	2	162,288	526,909
Venezuela	--	--	--	5	459,723	1,276,651	2	229,502	637,327	--	--	--
Indonesia	2	128,468	356,756	4	366,394	1,017,476	2	197,917	556,349	3/	4,986	16,188
Angola	--	--	--	1	51,606	143,310	1	87,243	242,274	--	--	--
Nigeria	--	--	--	3/	18,626	51,724	1	86,270	250,095	--	--	--
P. R. of China	1	96,001	266,595	3/	58,091	161,319	1	84,971	244,307	3/	21,858	70,967
All other 2/	7	591,652	1,643,017	11	930,849	2,584,967	2	237,249	777,862	3	311,228	1,010,479
Total	34	2,837,475	7,879,668	53	4,827,855	13,406,953	41	4,133,990	11,779,161	26	2,503,423	8,127,988

1/ Excluding flour and meal.

2/ All other countries include Argentina, Brazil, Colombia, Guatemala, Nicaragua, Portugal, Mozambique, Malawi, Cambodia, Sri Lanka, Iran, Hong Kong, Tanzania, North Vietnam, South Vietnam, Taiwan, Pakistan, Turkey, Kenya, Uganda, Sierra Leone, and Upper Volta.

3/ Less than one-half metric ton.

Table 41.—Quantity and value of coconut imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Metric tons	Metric tons	1,000 yen	Dollars									
Philippines	1,561	202,828	563,253	1,774	249,781	693,642	1,553	206,661	592,580	783	79,583	258,386
Malaya	104	3,998	11,102	143	5,863	16,282	205	10,671	30,352	178	5,016	16,286
Ceylon 1/	184	28,943	80,375	194	31,751	88,172	149	23,804	69,145	34	4,700	15,260
Singapore	119	3,468	9,631	94	2,552	7,087	48	1,541	4,572	139	4,276	13,883
All other 2/	24	2,322	6,448	93	10,866	30,175	147	19,089	53,068	132	7,422	24,097
Total	1,992	241,559	670,809	2,298	300,813	835,358	2,202	261,766	749,717	1,246	100,997	327,912

1/ Now Sri Lanka.

2/ Includes Bismarck Archipelago, Indonesia, Fiji Islands, Papua, People's Republic of China, Thailand, and Territory of New Guinea.

Table 42.—Quantity and value of cashew nut imports into Japan,
by country of origin, 1969, 1970, 1971, to July 1972

Country of origin	1969			1970			1971			1972 (6 mos.)		
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Kilo- grams	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars	Kilo- grams	1,000 yen	Dollars
India	501,926	259,272	719,998	778,159	440,950	1,224,518	1,133,368	618,403	1,795,391	686,905	346,391	1,124,645
Mozambique	256,660	93,032	258,350	359,717	139,123	386,345	408,720	138,663	398,323	121,756	36,517	118,562
Tanzania	108,623	43,990	122,160	170,448	69,602	193,285	191,346	59,426	169,446	25,161	3,219	10,451
Indonesia	---	---	---	---	---	---	2,320	415	1,243	---	---	---
Brazil	998	513	1,425	1,994	1,304	3,621	---	---	---	---	---	---
Total	868,207	396,807	1,101,933	1,310,318	650,979	1,807,769	1,735,754	816,907	2,364,403	833,822	386,127	1,253,658

ESSENTIAL OILS

Japanese Government and trade sources do not view prospects for increased imports of essential oils as favorable. Volume of imports of the essential oils examined in this study--citronella, lemongrass, and patchouli--has declined in recent years and c.i.f. prices have been mixed. Part of this decline is attributed by the trade to increased competition from synthetics. The potential for Vietnam's entry in this market is further dimmed by the fact that, with the exception of patchouli, current sources of supply are generally considered adequate and satisfactory. To gain entry into the Japanese market, Vietnam would probably have to offer these oils, at least initially, at below world prices.

The combined imports of the three oils are relatively small, amounting to about 950 thousand kg with a c.i.f. value of around \$2.7 million in 1971. About 94 percent of this volume and 85 percent of the value is represented by citronella.

Annual import volume and average c.i.f. value by country of origin and monthly volume and value for 1971, and January-July 1972 are shown in tables 43 and 44.

The situation and outlook for each of the oils examined are:

Citronella

Current sources of supply are described by traders as "more than adequate" with many sources of supply at very competitive offering prices. Recent trade data show that People's Republic of China and Taiwan are the main suppliers. A very small volume, 400 kg, was imported from Vietnam in 1971. Import volume in 1971 was well below 1969 and 1970. The average annual price appears to have been fairly stable for 1970, 1971, and the first 7 months of 1972. There is considerable price variation between supply sources, but no apparent seasonal trend in volume or prices (tables 43 and 44).

Lemongrass

Sources for lemongrass oil are well established and are considered adequate by Japanese importers. Guatemala is by far the major source of supply, accounting for about 95 percent of the import volume in 1971 and over 50 percent since 1967. Based on import statistics, People's Republic of China was the next ranking source of supply during 1968-70, but was not a supplier during 1971 or the first half of 1972. There is considerable variation in average c.i.f. value of lemongrass oil among supplying countries and from month to month. However, based on monthly imports during 1971 and the first half of 1972, there appears to be no seasonal influence. Average annual c.i.f. values per kg were \$4.70 in 1969, \$5.01 in 1970, \$4.67 in 1971, and \$4.78 for January-July 1972. Import volume declined significantly in 1971, compared with 1970, and did not recover in the first half of 1972.

Table 43.--Volume and value (c.i.f.) of imports of selected essential oils,
by country or origin, Japan, 1969-72

Country of origin	Volume	Average value per kilogram	
	<u>Kilograms</u>	<u>Yen</u>	
		<u>U.S. dollars 2/</u>	
I. Citronella			
1969			
P. R. of China	878,678	511	1.42
Taiwan	558,984	567	1.57
Ceylon (Sri Lanka)	182	1,120	3.11
France	1,270	683	1.90
Total	1,439,114	533	1.48
1970			
P. R. of China	1,004,243	818	2.27
Taiwan	578,773	992	2.75
France	11,972	587	2.29
North Vietnam	2,100	957	1.63
Indonesia	18,900	823	2.66
Guatemala	9,071	775	2.15
Total	1,625,059	881	2.45
1971			
P. R. of China	500,896	873	2.49
Taiwan	333,570	918	2.61
Indonesia	76,500	602	2.73
North Vietnam	400	958	1.71
Total	911,366	896	2.55
1972 1/			
P. R. of China	288,800	754	2.45
Taiwan	87,093	757	2.46
Total	375,893	755	2.45
II. Lemongrass			
1969			
P. R. of China	18,718	1,697	4.71
India	1,980	2,102	5.84
France	180	1,944	5.40
U.S.A.	11,427	1,708	4.74
Guatemala	33,927	1,660	4.61
Total	66,232	1,693	4.70
1970			
P. R. of China	16,692	1,766	4.90
U.S.A.	3,264	1,189	3.30
Guatemala	60,958	1,843	5.12
Total	73,672	1,804	5.01
1971			
Guatemala	41,364	1,673	4.77
Spain	20	4,200	11.96
Argentina	2,162	941	2.68
Total	43,546	1,638	4.67
1972 1/			
Guatemala	19,049	1,502	4.87
U.S.A.	1,814	1,188	3.86
Total	20,863	1,474	4.78

Continued

Table 43.--Volume and value (c.i.f.) of imports of selected essential oils,
by country of origin, Japan, 1969-72, Continued

Country of origin	Volume	Average value per kilogram	
	<u>Kilograms</u>	<u>Yen</u>	
		<u>U.S. Dollars 2/</u>	
III. Patchouli			
1969			
P. R. of China	907	2,095	5.89
Singapore	829	3,015	8.37
Malaysia	2,299	2,164	6.01
Indonesia	15,454	2,134	5.93
United Kingdom	50	3,480	9.67
France	4,171	4,255	11.82
U.S.A.	544	1,608	4.47
Total	24,254	2,521	7.00
1970			
P. R. of China	1,088	2,162	6.00
Singapore	3,191	2,848	7.91
Malaysia	3,959	2,229	6.19
Indonesia	25,250	2,358	6.55
United Kingdom	145	3,379	9.38
France	4,482	4,284	11.90
Total	38,482	2,626	7.29
1971			
Singapore	2,277	2,603	7.41
Malaysia	400	2,670	7.60
Indonesia	25,120	2,484	7.08
United Kingdom	147	4,210	11.99
France	2,656	6,334	14.24
Netherlands	15	5,000	18.09
Total	30,615	2,839	8.09
1972 1/			
P. R. of China	200	3,370	10.94
Singapore	8,904	2,891	9.39
Malaysia	1,132	2,101	6.82
Indonesia	8,214	2,486	8.07
France	2,994	6,321	20.52
Netherlands	78	4,923	15.98
Total	21,522	3,184	10.34

1/ January-July only.

2/ Average value in yen converted to U.S. dollars of following rates:

360 yen per U.S. dollar, 1969 and 1970.
351 yen for 1971, and 308 yen for 1972.

Table 44.--Monthly volume and value of imports of selected essential oils
(c.i.f.), Japan, January 1971 - July 1972

Year and month	Citronella			Lemongrass			Patchouli		
	Volume	Value (c.i.f.)	U.S. dollars per kg 1/	Volume	Value (c.i.f.)	U.S. dollars per kg 1/	Kilograms	Volume	Value (c.i.f.)
1971									
January	135,385	2.78	---	5,805	5.10	---	300	300	13.08
February	52,864	2.75	5,805	20	11.67	4,145	4,145	7.52	
March	117,467	1.69	20	4,172	4.49	920	920	9.06	
April	68,623	2.77	4,172	---	8.31	5,399	5,399	7.80	
May	40,435	2.76	---	13,607	5.00	3,173	3,173	8.31	
June	108,076	2.73	13,607	5.00	3,640	3,640	3,640	8.20	
July	9,625	2.71	---	---	1,219	1,219	1,219	7.56	
August	43,475	2.62	5,443	5.15	1,004	1,004	1,004	9.12	
September	95,849	2.63	1,814	4.84	3,219	3,219	3,219	6.87	
October	97,505	2.63	---	---	874	874	874	11.71	
November	72,210	2.61	7,257	4.24	5,344	5,344	5,344	7.48	
December	69,852	2.59	5,428	3.13	1,378	1,378	1,378	11.44	
Total	911,366	2.55	43,546	4.67	30,615	30,615	30,615	8.09	
1972									
January	54,000	2.45	---	---	---	2,011	2,011	12.47	
February	104,705	2.46	10,886	4.95	5,590	5,590	5,590	8.25	
March	71,164	2.45	907	3.72	3,592	3,592	3,592	9.60	
April	64,051	2.45	906	3.97	2,088	2,088	2,088	12.57	
May	54,073	2.46	8,164	4.78	3,099	3,099	3,099	11.16	
June	9,900	2.45	---	---	2,148	2,148	2,148	8.90	
July	18,000	2.40	---	---	2,994	2,994	2,994	10.52	

1/ Average U.S. dollar value per kilogram was calculated by dividing average value as expressed in yen by 360 through August 1971, 346 for September, 334 for October, 329 for November, and 320 for December 1971. For 1972, a rate of 308 yen to the dollar was used.

Based on recent trends in import volume, price, adequacy of present supply sources, and the apparent inroads of synthetics, prospects for Vietnam's entry do not appear favorable.

Patchouli

Unlike the other essential oils previously examined, sources and current supplies of patchouli oil are not considered dependable or satisfactory. Japanese traders are interested in developing more sources of supply and suggested that samples of oil from Vietnam be made available for analysis. Import volume was lower in 1971 than in 1970, but remained well above 1968 and 1969. Imports during January-July 1972 were slightly ahead of the same period in 1971. Average c.i.f. value per kg rose from \$7.00 in 1969 to \$8.09 in 1971, and averaged \$10.34 during January-July 1972. Indonesia is the most important supplier, accounting for about 25 thousand of the approximately 31 thousand kg imported in 1971. The average c.i.f. volume from suppliers varies widely. Average c.i.f. value per kg for patchouli oil from France was slightly over \$18.00 in 1971, compared with \$7.00 for oil from the major supplier, Indonesia. Wide price differences are attributed to variation in quality, but comparative analyses of oil from competing supply sources were not examined.

Trade Practices and Restrictions

Takasago Perfumery Company, Tokyo, is reported to be the end user of about 90 percent of the citronella, 60 percent of the lemongrass, and 30 percent of the patchouli oil imports. The International Aromatic Traders Association of Japan, Inc., includes trading companies handling essential oils. Imports may be made through trading companies or directly by large end users. Trading companies appear to be the best source of contact where small volumes of products are involved.

Trade sources indicate that essential oils are customarily imported in 200 kg drums, with preferably 30 drums per shipment or transaction. However, it may be noted from import statistics that smaller quantities of each of the oils are regularly imported. It is likely that the importer is combining these with other products.

To develop an order, the end user or trading company dealing in the particular oil must be provided with a sample (about 1 kg) and information on quantities and time of availability. The sample will be analyzed and, if found acceptable, a c.&f. Japan price quotation will be made. If accepted by the seller, a 97 percent letter of credit for the c.&f. value will be issued by the importer. To receive payment, the exporter must present an invoice, bill of lading, packing list, and certificate of origin to the financial institution on which the letter of credit was issued. The importer normally secures and pays for the insurance of the shipment. The remaining 3 percent of the c.&f. value is paid the exporter when the product is landed in Japan.

There are no import quotas on essential oils. There is no tariff on citronella, but lemongrass and patchouli are subject to a 10 percent general tariff. In addition, patchouli has a 5 percent temporary and a 5 percent General Agreement on Tariffs and Trade tariff, for a total of 20 percent.

SORGHUM

Japan's agricultural policy is to rely heavily on imported feed grains to support a high degree of self-sufficiency in domestic meat production. In 1971, Japan imported around 3.8 million metric tons of sorghum. Trade sources expect import volume to increase about 5 percent annually over the next 5 to 10 years.

The United States has traditionally been and remains the major supplier of sorghum to Japan. However, Japan is making a strong effort to diversify its supply sources in order to insure ample supplies at competitive prices. Considerable imports of sorghum are obtained from Argentina. In recent years, the volume received from Australia and South Africa has risen significantly. The short corn crop in the United States in 1971, and its impact on world feed grain prices, apparently further encouraged Japan to develop competitive supply sources. The average c.i.f. value of sorghum imported by Japan in 1971 was \$66.53 per metric ton, compared with \$61.06 in 1970. Volume of sorghum imports and c.i.f. value for selected years and months are shown in tables 45 and 46. Prices during the first 7 months of 1972 were around the 1970 level. Future prices are not expected to fall below current levels.

While import demand for sorghum by Japan is expected to remain strong, the potential for Vietnam's entry in this market does not appear favorable in the near future. The primary barrier to Vietnam's entry is lack of the infrastructure necessary to gain economies in handling large volumes of grain that are realized by Japan's current major suppliers. Trade sources indicated that Japan's effort to develop sorghum production in Indonesia, despite favorable production costs, has not yet been successful because of inefficient and inadequate in-country assembly, storage, loading, and dock facilities. High costs associated with assembly, storage, and moving grain to port and loading more than offset lower production costs, to raise overall costs to an uncompetitive level. On the other hand, Australia was cited as an example where despite higher production costs, an efficient and large scale handling system allowed them to be competitive. Transportation cost advantages for some of the current suppliers were also cited. Vessels used to transport exports to these countries are converted to bulk handling of grain for the return trip to Japan.

Trade Practices

Most imports of sorghum move through trading companies. They normally arrange shipping and insurance. To develop an order, a sample of about 5 kg. along with information on quantity and time of availability should be provided to a Japanese trading company. If, after analysis of the sample and evaluation of availability, the trading company is interested, it would make an f.o.b. Vietnam quotation. If the Vietnamese supplier accepts the quotation, the trading company will issue a letter of credit for 100 percent of the f.o.b. value and provide instruction for delivery of the grain. To receive payment, the exporter must present to the trading company's bank an on-board bill of lading and other documents required by the importer and the Japanese Government. The trading company will assist Vietnamese exporters in

Table 45.--Volume and average value of sorghum imported into Japan,
by country of origin, 1969-72

Country of origin	Volume			Average c.i.f. value per metric ton				
	1969	1970	1971	1972 1/	1969	1970	1971	1972 1/
	1,000 metric tons				U.S. dollars 2/			
People's Republic of China	0.3	---	---	---	61.56	---	---	---
Thailand	14.0	25.7	15.0	21.1	55.55	63.43	71.73	56.53
Canada	.4	.5	---	---	50.49	58.05	---	---
U.S.A.	1,927.6	2,174.0	1,573.6	804.5	56.00	61.41	69.72	62.16
Mexico	51.1	---	44.3	---	58.49	---	71.25	---
Argentina	856.6	1,283.9	1,102.8	414.6	54.35	60.02	64.92	61.61
Australia	.7	262.6	1,009.0	322.5	55.25	61.77	63.26	60.53
Solomon Is.	.4	---	---	---	50.19	---	---	---
Bermuda	---	1.6	.2	---	61.61	69.35	---	---
S. Africa	---	24.3	51.1	134.3	---	62.78	62.39	58.86
Indonesia	---	---	.1	---	---	64.14	---	---
Uruguay	---	---	.2	---	---	66.28	---	---
Morocco	---	---	.6	---	---	66.72	---	---
Guinea	---	---	.2	---	---	64.18	---	---
Total	2,851.2	3,772.7	3,798.1	1,697.2	55.54	61.06	66.53	61.38

1/ January-July only.

2/ Yen value converted to dollar by following conversion rates, 360 for 1969 and 1970, 351 for 1971, and 308 for 1972.

Table 46.--Monthly volume and average value of sorghum imported into Japan,
January 1971 - July 1972

Month and year	Volume	Metric tons	Average c.i.f. value per metric ton	
			Yen	U.S. dollars 1/
1971	..	..	..	..
January	296,224	24,393	67.75	67.75
February	319,870	25,163	69.89	69.89
March	339,705	25,679	71.33	71.33
April	336,729	25,448	70.68	70.68
May	244,524	24,284	67.45	67.45
June	355,808	24,010	66.69	66.69
July	351,747	22,799	63.33	63.33
August	277,513	21,852	60.70	60.70
September	377,610	21,839	63.11	63.11
October	380,374	21,711	65.00	65.00
November	284,119	21,609	65.68	65.68
December	233,887	21,107	65.95	65.95
Total	3,798,110	23,354	66.53	66.53
1972	..	..	..	..
January	231,180	18,695	60.69	60.69
February	218,482	19,259	62.52	62.52
March	325,687	19,373	62.89	62.89
April	240,631	19,031	61.78	61.78
May	262,025	18,693	60.69	60.69
June	208,704	18,561	60.26	60.26
July	210,476	18,516	60.11	60.11
Total	1,697,185	18,906	61.38	61.38

1/ Average dollar value was calculated by the following conversion rates:
 360 yen per dollar January-August 1971, 346 yen for September, 334 for October, 329 for November
 and 320 for December 1971. For 1972, the rate of 308 yen per dollar was used.

identifying, preparing, and obtaining the necessary documents to complete the trade transaction.

Sorghum is normally shipped in bulk. A sizeable volume is required to cover minimum loading, unloading, and transportation charges. Traders indicated a minimum of 3 thousand metric tons per shipment would be desirable. Transportation cost for grain from Vietnam to Japan is not available because of lack of trade in recent years. In respect to distance, Vietnam would appear to have a transportation cost advantage over other countries that are currently major suppliers of sorghum. One estimate of \$8.00 per metric ton for sorghum transportation costs between Vietnam and Japan was given.

In summary, Japan's demand for sorghum and other feed grains will continue to increase. However, even if Vietnam should have a favorable cost advantage in sorghum production, it is unlikely that it can compete in the Japanese market until a high volume of production and an efficient support infrastructure for handling sorghum is developed.

CASTOR BEANS

Japanese importers are very interested in the prospects of Vietnam as a source of supply, since they would like to develop new sources of imports for castor beans. Japanese castor bean processors have analyzed the variety produced in Vietnam and its percentage of oil, the main factor determining the value, is reported to be very good. Vietnam's variety of castor beans was found to average 48.63 percent oil, 6.42 percent moisture, and 0.64 percent acid value.

Japan's primary sources of imports have been Thailand and People's Republic of China. Negotiation of castor bean imports from People's Republic of China, normally conducted during the annual Canton Fair, failed to produce an agreement in 1971. Imports from People's Republic of China were terminated after September 1971 and had not been resumed at the time of this study. Japanese importers are not optimistic about the prospects of either Thailand or People's Republic of China being a dependable source of future supplies.

Import demand for castor beans is expected to continue favorable, with traders estimating a 4 percent rise in volume per year if adequate sources of supply become available.

Volume and value of imports per ton of castor beans in recent years are:

Year	Volume Metric tons	Average c.i.f. value per metric ton	
		1,000 yen	U.S. dollars
1968	43,347	62,540	173.72
1969	50,409	54,272	150.76
1970	57,869	49,264	136.83
1971	61,649	49,629	141.39
1972 1/	26,608	50,917	165.31

1/ Covers period January-July.

Thailand is by far Japan's major source of castor bean imports, accounting for more than 50 percent of the volume since 1968 and over 90 percent since shipments from People's Republic of China were terminated in late 1971. Import statistics through July 1972 indicate that an alternate source of supply to replace People's Republic of China had not been found.

Based on monthly statistics for 1971, import volume appears to be heaviest during February-May, but not highly seasonal; nor did c.i.f. value reflect any strong seasonal pattern:

	<u>Volume</u> Metric tons	Average c.i.f. value per metric ton Yen
1971		
January	4,820	50,270
February	7,778	50,138
March	9,098	49,723
April	8,010	49,447
May	7,307	49,181
June	2,887	48,647
July	5,295	49,967
August	5,372	51,616
September	3,397	49,566
October	2,910	47,102
November	2,016	48,923
December	2,609	48,231
1972		
January	3,118	46,276
February	4,719	46,116
March	4,645	46,915
April	4,233	47,285
May	4,251	51,325
June	4,036	63,231
July	1,600	63,160

Source of imports, volume, and average value during 1971 were:

	<u>Volume</u> Metric tons	Average c.i.f. value per metric ton Yen
Thailand	47,033	51,341
P. R. of China	9,426	49,458
Indonesia	3,354	47,485
Cambodia	843	42,091
Ethiopia	993	55,162

Trade Practices

Trade practices may vary with the Japanese trading company or importer. However, in a typical situation, a Vietnamese exporter desiring to sell castor beans would contact a Japanese trading company that imports castor beans and indicate quality and quantity and time of availability. The trading company, based on its assessment of Japanese bean processors' demand, would make a c.&f. price quotation. If the quotation is satisfactory and accepted by the Vietnamese exporter, the trading company issues a letter of credit for 100 percent of the c.&f. value of the shipment landed in Japan. The exporter then arranges shipment and upon presentation of a copy of the invoice, bill of lading, packing list, and certificate of origin to the trading company's bank, receives payment for the shipment. Normally the trading company or importer arranges and pays for the insurance.

Shipments should be at least 100 metric tons to take advantage of reduced landing fees for volume. Beans are generally packed in burlap bags weighing from 60 to 100 kg each.

MANIOC STARCH

Japanese importers are reported to be looking for new sources of manioc starch from Malaysia and Indonesia. Thailand is currently the primary supplier, with People's Republic of China providing very limited quantities. Imports from Thailand are expected to decrease since Thailand appears to be selling its manioc in a less processed form on the European market.

Based on c.i.f. prices averaging over \$100 per metric ton during the first 7 months of 1972, Japan is importing a high grade starch for food purposes. Imported starch is bought by grade based on analysis for starch, ash, pulp, acid, and moisture content.

Manioc starch is under quota. About 55 thousand metric tons were imported in 1971. Trade contacts expect the quota to be increased during 1973, but manioc starch is likely to remain a non-liberalized item to protect domestic starch producers. Domestically-produced starch is reported to cost about twice the c.i.f. value of imported starch. In addition to being under quota, manioc starch is subject to a general tariff of 25 percent.

One trading company indicated that a special machine is required to process manioc starch into flour form suitable for export to Japan. A copy of the brochure describing this equipment was obtained by the Vietnam team member representing the Export Development Center, Saigon.

While the import potential for manioc starch is limited by quota, Vietnam may be able to enter the Japanese market if the quota were raised and if an acceptable product could be produced at competitive prices.

Trade Practices

Manioc flour is generally imported in 100-pound multiple paper bags or gunny sacks with polyethylene liners. Shipments usually range from 100 to 200 metric tons, although smaller quantities are traded. To develop an order, a sample of starch must be sent to one of the trading companies dealing in the product along with information on quantity and time of availability. Trading companies generally buy with a letter of credit for 100 percent of the c.&f. value in Japan.

A. Products for Initial Screening

Where applicable will include various product forms such as fresh, frozen, canned, dried, dehydrated, etc.

1. Vegetables:

Lettuce (head and leaf)	Onions, including spring onions
Cabbage	Radishes
Cauliflower	Carrots
Broccoli	Green beans
Chinese cabbage	Sweet corn
Asparagus	Peanuts

2. Animal products, beef, swine, and poultry (including ducks and feathers).

3. Specialty Crops:

Spices (ginger, nutmeg, cloves, etc.)
Black pepper
Tea
Coffee
Tropical fruits (pineapple, avocado, papaya, longan, etc.)
Bananas were included in previous study
Strawberries
Bamboo shoots and bamboo for decoration and furniture
Melons
Persimmons
Cut flowers (glads) and orchid plants

4. Other products:

- a. Essential oils
- b. Processed starches--manioc
- c. Castor beans and oil
- d. Sorghum grain
- e. Vegetable seeds
- f. Mung beans

B. Information to be Obtained by Each Product Team

1. Form in which imported: fresh, canned, dried, frozen, whole, parts, etc.
2. For each product form:
 - Imports and price (c.i.f.) by month and country of origin for last 2 to 3 years
 - Grade and packaging specifications
 - Trade regulations, restrictions, quotas, tariffs, etc., applicable to specific products
 - Method of transportation and costs
 - Volume required for trade
 - Trends in domestic consumption and prices
 - Effect of Government policy on import demand
 - Observe distribution and handling from port of entry through retail
 - Importers and their method of domestic distribution through wholesalers, retail stores, and institutional users

C. General Information on Trade and Economic Conditions

1. Attitude of Japanese public, traders, and Government officials toward trade with Vietnam
2. Trade restraints:

Sanitation requirements, duty and tariffs, prohibitions or exclusions, additives prohibited or permitted, special bilateral arrangements, preferences, and quality standards
3. Trading arrangements:

Usual financial and credit arrangements
Method of trading, consignment, direct sale, other
Inspection and certification required and by whom?
For quota products, quota base, how and to whom quota is allotted
Joint ventures
Potential trade arrangements between Vietnam and Japan
4. Agricultural and other Government policies affecting import demand for agricultural products (subsidies, price controls, product control, etc.)

APPENDIX B. EXCHANGE RATES

<u>Year</u>	<u>Yen/U.S. Dollar</u>
Annual data 1955-1970	360
1971	351
1972	308
<u>Month</u>	<u>Yen/U.S. Dollar</u>
Monthly data through August 1971	360
September	346
October	334
November	329
December	320
1972 (Jan.-Nov.)	308



